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ASG Members: U.S. Individual Action Plan 'Almost Farcical'

BK1707122896 Manila BUSINESS WORLD in English 5-6 Jul 96 p 2

[Unattributed report]

[FBIS Transcribed Text] The United States — touted as the most advanced economy in the 18-member Asia-Pacific Economic Cooperation (APEC) — had the most unpromising preliminary entry in terms of liberalizing goods and services within the grouping.

This prompted some quarters to say the U.S. proposals against bribery and corruption in governments, said to be slanted to Asian countries especially the Philippines, surpass its capacity to lead APEC in becoming the trade bloc to reckon with 10 to 20 years from now.

BUSINESS WORLD learned from members of the APEC Substantive Group (ASG) that the United States "submitted an almost farcical individual action plan (IAP)" when compared with the rest of the economies.

The ASG serves as a working group to evaluate results of APEC Senior Officials' Meeting (SOM) such as the IAP.

This covers proposed tariff reduction schemes on all goods and services the 18 countries are willing to commit for a freer and more integrated trade and investment regime by 2010 for richer members and 2020 for developing ones.

"What makes U.S.' IAP quite off-tangent is because it is premised on the idea of reciprocity. It's like saying 'I'm willing to commit this much if you will give me this much.' And this is not the way it is done in APEC," the ASG member noted.

The APEC members, which are also signatories of the General Agreement on Tariffs and Trade are expected to exceed their commitments to the World Trade Organization (WTO), particularly in 15 areas of trade and investment liberalization facility and 13 areas of economic and technical cooperation.

With WTO, existing tariff rates should level to a uniform of zero to 5% by 2004.

"Actually, when you see the initial IAPs, they are all WTO-plus. But they are really uneven. Some appear to have given more, some are behind," an ASG member explained. In the case of the United States, it has to do some more fine-tuning to fit the APEC principle of "voluntary liberalization" whether or not the favor will be returned.

"Anyway, the finalization of the IAPs is a continuing process until November," he added. Given its insufficient IAP submission, the United States should not have gone forum-shopping on curbing bribery and corruption issued under government procurement, the source pointed out.

ASG members said this issue was already brought up by the United States to WTO but to no avail. APEC members also gave the matter a cold treatment during the Second SOM held in Cebu, Mactan in May, they said.

The bribery and corruption apparently alluded to the Philippines following the Topweb incident as well as to other Asian countries like Japan and Indonesia. Only recently, controversy marred the bidding of Topweb — the computer networking of the cabinet to President Ramos — where the contract was awarded to Filipino company Strategic Solutions Integrators, Inc.

Reports of irregularity came out after the bidding. The U.S. Government asked Malacanang [presidential palace] to investigate the bid process after one of the American bidders, in partnership with DPSI [Distributed Processing Systems, Inc.], sought Washington's counsel.

APEC Trade Ministers Express Support for WTO

BK1707041596 Singapore THE STRAITS TIMES in English 17 Jul 96

[Report by Chan Hwa Loon in Christchurch, New Zealand — received via Internet]

[FBIS Transcribed Text] Trade ministers of the Asia-Pacific Economic Cooperation forum yesterday reached a broad consensus on the agenda for the inaugural World Trade Organization (WTO) ministerial conference in Singapore in December.

In a statement at the end of their two-day meeting in Christchurch, the ministers expressed their determination to contribute fully to the success of the WTO ministerial conference. They would achieve this through the approaches they had decided on at their Christchurch meeting and by building on these approaches in their preparations in Manila for the Apec Leaders' Meeting at Subic Bay in November.

Singapore's Trade and Industry Minister, Mr. Yeo Cheow Tong, said: "Overall, the Christchurch meeting has been fruitful, productive and beneficial. It also indicates that more work will have to be done for us to close the gaps in those areas where differences still exist."

He said it was definitely very helpful to Singapore, which is hosting the WTO ministerial conference.

"On all the key issues, we have come to a common understanding. This means that the Apec countries in the WTO will be able to work together to forge a consensus amongst the rest of the WTO members," he said.

The Apec trade ministers agreed that the key task at the Singapore ministerial conference would be to establish a work program for future liberalization in the WTO, with the built-in agenda resulting from the Uruguay Round trade liberalization agreements being central to this.

They concluded that the built-in agenda "constituted a substantive and balanced work program that should take the global trading system forward on a trade-liberalizing path". They also stressed the importance of all members of the WTO agreeing in Singapore to respect the dates contained in the built-in agenda and to utilize existing institutional machinery to begin further work.

On further liberalization initiatives that might be undertaken beyond the built-in agenda, the ministers agreed that consideration should be given to further work on improvement of market access for industrial products.

They also noted a proposal for an Information Technology Agreement was a possible limited sectorial initiative which could be undertaken in the shorter term.

Also agreed upon was an examination of the possibility of a broader discussion in the WTO on transparency, openness and due process in government procurement.

"Apec's voluntary framework and the WTO's legal one can mutually reinforce liberalization and the process of analysis and consensus building in one forum can contribute to progressing negotiations in the other," said the ministers in their closing statement.

They expressed disappointment at the slow pace of global progress in freeing up trade in services — especially telecoms, financial services and shipping.

Each Apec member country agreed to examine what further contribution it could make in each of these areas.

The ministers gave their backing to outstanding applications for membership to the WTO, two of which are from Apec members, China and Taiwan.

At a press conference at the end of the Apec meeting, China's Minister of Foreign Trade and Economic Cooperation, Madam Wu Yi, said in reply to a question that the position of China with respect to its joining the WTO "has not changed".

"We believe China's WTO accession is not only in the interest of China but also in the interest of world trade growth and economic growth," she said.

"China has not only participated in the entire process of the Uruguay Round negotiations but also put its signature to the final agreements. We are willing to implement the UR [Uruguay Round] agreements as a developing country."

Apec groups 18 economies as diverse as the United States and Papua New Guinea along the Pacific Rim, which have agreed to liberalize trade and investment by 2010 for industrialized members and 2020 for developing members.

ASEAN Urges Nuclear Powers To Ratify Treaty Protocol

BK1807040396 Bangkok THE NATION in English 18 Jul 96 p A2

[Report by Don Pathan and Yindi Loetcharoenchok]

[FBIS Transcribed Text] Jakarta — The Association of Southeast Asian Nations (ASEAN) is still trying to convince the five nuclear powers to accede to protocol in its regional treaty for a nuclear weapon-free zone.

Speaking yesterday after chairing a meeting of senior ASEAN officials, Izhar Ibrahim, director general of the Indonesian Foreign Ministry's Political Affairs Department, said ASEAN members are still negotiating with China, Britain, France, Russia and the United States to convince them to recognise the anti-nuclear treaty.

He said that the five permanent members of the UN Security Council were still hesitant over certain articles in the Treaty of Southeast Asian Nuclear Weapon-Free Zone, particularly the part concerning the 200-mile Exclusive Economic Zone (EEZ).

He said the issue was a matter of "confidence" and "technical discrepancies" which can be resolved provided both sides show flexibility.

This is a matter of confidence, namely whether the nuclear powers would really support the establishment of a nuclear weapon-free zone in Southeast Asia. There are also technical discrepancies on this particular issue, but in essence we (ASEAN) are flexible, he said.

"So there is a possibility that they (the nuclear powers) can be accommodated provided that they also could show some flexibility. Flexibility should come from both sides," he said. Ibrahim said non- Southeast Asian nations, including the nuclear powers, were concerned that the EEZ article would also apply to them if they accede to the treaty's protocol, which has been drafted to accommodate other countries that are interested to associate themselves with the charter.

The seven ASEAN members and Burma, Cambodia and Laos signed the treaty last December, thus proclaiming the region a nuclear weapon- free area. The Indonesian official said the nuclear powers want the exclusion of the EEZ from the treaty and want to see some revisions on other issues.

He added that ASEAN countries are trying to convince the five that the EEZ rule "is actually flexible" and does "not necessarily have to apply to non-Southeast Asian states."

"We (ASEAN) said of course this paragraph (on EEZ) can be discussed and we understand that non-ASEAN and non-Southeast Asian countries can decide that the EEZ perhaps should not apply to them when they accede to the protocols he said.

"The problem is that they (the nuclear powers) said the EEZ should not be included in the treaty. We believe that the specific article applies particularly to the 10 Southeast Asian countries, which are the signatory states, and others that want to join us have to respect the EEZ as well," he said.

ASEAN Reacts 'Angrily' Over EU Remarks on Ties With Burma

BK1807080996 Singapore THE STRAITS TIMES in English 18 Jul 96

[Report by Lee Kim Chew in Jakarta — received via Internet]

[FBIS Transcribed Text] Senior ASEAN officials yesterday reacted angrily to remarks by a vice-president of the European Commission that ASEAN-European Union [EU] ties would suffer because of ASEAN's relationship with the military regime in Myanmar [Burma].

According to a report from Brussels, Mr. Manuel Marin said ASEAN's moves to accept Myanmar as a member could jeopardize the EU's plans to deepen its relationship with the seven-member grouping.

According to AGENCE FRANCE PRESSE, he said: "ASEAN is free to take in whomever it wants. But it is clear for us that Burma would be a problem. Unless there is a profound change in the regime, it will inevitably create considerable difficulties."

To this criticism of ASEAN's policy of constructive engagement with Myanmar, the secretary-general of Malaysia's Foreign Ministry, Tan Sri Ahmad Kamil Jaafar, said: "We may have a different approach. Who are they to say it's wrong? We think that we may yet be able to win over Myanmar. ASEAN has never used human rights as an instrument in its relations with Europe. The EU should not use it with ASEAN."

He said ASEAN would not isolate Yangon [Rangoon] and would instead try to make its engagement policy work.

He accused the Western countries of hypocrisy, citing ethnic cleansing in Bosnia and the sectarian violence in Northern Ireland as examples of human rights violations which they did little to stop. Nor did he believe that the Western call for economic sanctions against Myanmar would work.

The Philippine Under-Secretary for Foreign Affairs, Mr. Rodolfo Severino, said that the question of who became ASEAN members was something for ASEAN countries alone to decide.

Faced with an active human rights lobby, some Western countries feel compelled to take a strong stand in protest against Myanmar's military regime for its suppression of the pro-democracy movement.

But the EU itself is deeply divided over the question of economic sanctions against Yangon, and ASEAN officials are confident that the Europeans would not put pressure on ASEAN to drop its policy of constructive engagement.

Despite the EU's public posture, the Europeans acknowledged that ASEAN's policy was correct because there was no better solution, said a senior ASEAN official.

Myanmar's military regime has been vilified for its human rights abuses and refusal to hand over power to the National League for Democracy, after it won a landslide victory in the 1990 general election.

An official said ASEAN also wanted to see change in Myanmar, and the question was how to achieve this peacefully.

Myanmar imposed self-isolation on itself for nearly 30 years, and the generals had now decided to open up the country, but change had to come about gradually, he stressed.

ASEAN's move to upgrade Yangon to observer status and the support for its entry into the ASEAN Regional Forum despite strong reservations from the grouping's Western dialogue partners had led to the current debate on Myanmar at this meeting. Ironically, ASEAN officials did not discuss this issue yesterday when they finalized their reports for this weekend's ministerial meeting.

ASEAN Not To Reconsider Burma 'Constructive Engagement' Policy

BK1807044996 Bangkok THE NATION in English 18 Jul 96 p A2

[Report by Don Pathan and Yindi Loetcharoenchok]

[FBIS Transcribed Text] Jakarta — ASEAN will not reconsider its constructive engagement policy towards Burma as the grouping does not operate under general labels but adopts common decisions on specific issues.

Philippine Foreign Ministry Under Secretary Roberto Severino said after a senior ASEAN official meeting yesterday that "constructive engagement was only a label (term)" for the policy and ASEAN does not operate under such labels.

He said ASEAN members will not reconsider the policy, which has often been attacked by those opposed to Burma's military junta, saying that the association usually bases its decisions on Burma on specific issues.

"Of course we have a general approach in mind but we are not talking about labels here."

Meanwhile, a senior Indonesian official who chaired yesterday's meeting said that ASEAN would not mention the current political tension in Burma in its joint communique, which was to be released after the meeting of ASEAN foreign ministers.

Izhar Ibrahim, director general of Indonesian Foreign Ministry's Political Affairs Department, said ASEAN considers the political situation an internal affair of Burma "and that is why there will be no reference" to it.

When asked if ASEAN would respond to a letter that Burmese pro- democracy leader Aung San Suu Kyi recently sent to all the heads of government within the grouping, Severino said ASEAN, as a whole, "is not communicating in writing" to Suu Kyi.

He added that he did not know if individual members would reply to Suu Kyi's letter, but the Philippines has yet to.

Severino would not say if Philippine President Fidel Ramos would reply to the letter in the future. "Who can foretell the future?" he said.

In her letter, Suu Kyi urged ASEAN to help promote peace and national reconciliation in Burma through dialogue between the Burmese junta, her opposition party, the National League for Democracy (NLD), and other political movements. She said a lack of peace and stability in Burma could affect the Southeast Asian region as a whole.

Ibrahim said officials discussed yesterday whether all ASEAN countries had received Suu Kyi's letter, but not its content or whether they would reply to it.

"We did not discuss the contents or how to react to it. It is up to individual countries on how they react," he said.

The Indonesian official said he was not surprised to hear that some senior officials had not seen the letter as it was addressed directly to the head of each government in ASEAN.

He said he was not sure if Indonesia would respond, saying that the final decision rested with President Suharto.

"It depends on the president because we have only just received the letter and forwarded it to him. Of course, it is up to him whether there is a response. And what the contents will be, we don't know yet," he added.

ASEAN Senior Officials Prepare Joint Communique Draft

BK1807100796 Jakarta THE JAKARTA POST in English 18 Jul 96 p 1

[Unattributed report]

[FBIS Transcribed Excerpt] Jakarta (JP) — Senior officials of the Association of Southeast Asian Nations (ASEAN) began finalizing the draft of the joint communique to be issued at a ministerial meeting here this weekend.

The chairman of the senior officials meeting, Indonesia's Izhar Ibrahim said yesterday that delegates at their afternoon session had begun combining the document's two sections — the political and non-political copies — into a single draft for adoption by the ministers.

Izhar would not reveal the contents of the communique, but said the political section contained "traditional subjects" of political cooperation along with topics pertaining to both regional and global issues.

The senior officials gathered yesterday for the opening day of a two-day meeting to prepare for Saturday's ASEAN Ministerial Meeting.

The ministerial meeting will conclude on Sunday with the adoption of a joint communique which covers a variety of political and economic issues.

ASEAN comprises Brunei, Indonesia, Malaysia, the Philippines Singapore, Thailand and Vietnam.

Separately, delegates revealed that the joint communique will note their acceptance of applications from Cambodia and Laos as new members and Myanmar [Burma] as an observer in ASEAN.

Cambodia and Laos have stated their desire to formally join ASEAN next year.

No mention of the domestic political situation in Myanmar will be made in the communique. Izhar earlier said "there is no mention of the internal issue of Myanmar".

The focus on Myanmar is expected to continue as ministers host the ASEAN Regional Forum (ARF) here on Tuesday. The ARF is a consultative forum which brings together ASEAN and their various dialog partners such as Australia, Canada, and the United States.

ASEAN has continued to maintain a constructive engagement with Myanmar despite the West's strong criticism of Yangon's [Rangoon] human rights record.

On the progress of the ARF, the communique is expected to note the ministers' satisfaction at its progress and stress that ASEAN must continue to be the driving force in the 21-member forum.

Ministers are also expected to underline the need to establish a criteria for new ASEAN dialog partners.

Other regional issues likely to be contained in the communique are the overlapping claims in the South China Sea and calls for the resumption of talks between Seoul and Pyongyang. Reference will also be made to the Korean Peninsula Energy Development Organization (KEDO).

Izhar said that Indonesia for the second consecutive year will contribute US$325,000 to KEDO. He added that other ASEAN members have also expressed interest in contributing. [passage omitted]

ASEAN Views Criteria for Admitting New Dialogue Partners

BK1807051796 Bangkok BANGKOK POST in English 18 Jul 96 p 7

[Report by Anurat Maniphan]

[FBIS Transcribed Text] Jakarta — ASEAN yesterday considered criteria for admitting new dialogue partners in a signal of the grouping's determination to maintain control over its crucial interests.

Senior officials of the Association of Southeast Asian Nations (ASEAN) discussed a requirement that newcomers to the ASEAN Regional Forum (ARF) show they can enhance peace and security in Northeast and Southeast Asia as well as Oceania.

ASEAN officials also considered other conditions for taking on full dialogue partners such as requiring that they show potential for extending a certain level of development assistance, as well as be compatibility with ASEAN views on economic, political and social matters.

The discussions were part of preparations for the 29th annual meeting of foreign ministers from ASEAN's seven members — Brunei, Indonesia, Malaysia the Philippines, Singapore, Thailand and Vietnam — on the weekend.

The review of membership criteria of the ARF, which deals with security issues, and preconditions to becoming a full dialogue partner of ASEAN stems from the two groupings' already substantial membership.

The review has effectively placed a moratorium on the growth of the ARF and ASEAN's dialogue partners.

"We don't want to become a mini United Nations," Thai Permanent Secretary for Foreign Affairs Thep Thewakun said of the moratorium on the ARF ahead of the admission of Burma and India into the security forum next Tuesday.

With the admission of Burma and India, the ARF will become a 21 nation strong forum. Its membership is comprised of ASEAN member states, China, Russia, Canada Australia, New Zealand, South Korea, Japan, Cambodia, Laos, Papua New Guinea, the United Stated, and the nations of the European Union.

And with China, India, and Russia already upgraded to full dialogue partners, ASEAN is now committed to discussing economic, security and other co-operation issues with 10 sovereign states at the ministerial level on a yearly basis.

The U.S., Canada, Australia, New Zealand, Japan, South Korea, and the European Union are long-standing dialogue partners.

Vietnam, ASEAN's newest member, has been appointed the coordinator for discussions with the grouping's latest dialogue partner, Russia, during the so-called Post-Ministerial Conference set for next Wednesday and Thursday.

At least four countries are queuing up for seats in the ARF — Mongolia, North Korea, Britain and France.

Pakistan is the only country seeking to become a full dialogue partner. It has been a sectoral partner since 1993, and ASEAN is urging it to develop this relationship.

But three other countries are seeking to open relationships with ASEAN. They include Mexico, which is seeking to become a sectoral partner, and Egypt and Turkey, which have made it clear they want formal ties with the grouping, although the nature of these have yet to be defined.

Indonesia, as chair of this year's standing committee, has spearheaded work on admissions criteria for the ARF, and conditions for full dialogue partners.

Jakarta has proposed that only sovereign states which work for the forum's goal of sustaining peace and security in the region be admitted to the ARF.

Izar Ibrahim, director general of the political department of Indonesia's foreign ministry, said the review of "guidelines" for admitting full dialogue partners would not be finalized until they were considered by ASEAN's senior economic officials.

Another source noted that the senior economic officials were due to meet in Cebu in the Philippines next month.

The guidelines on admitting new dialogue partners have been under review fort about two years. But a meeting of senior officials in Brunei on June 26 proposed that economic criteria should not be the only yardstick for accepting new partners.

The meeting advanced the idea of considering political and social compatibility with ASEAN, as well as gaging dialogue partners' potential to extend development assistance.

Such assistance is important to ASEAN's goal of incorporating much lesser-developed Cambodia, Laos, and Burma into the grouping by the year 2000.

Persuading dialogue partners to take part in the development of the three countries has emerged as one the main concerns of preparations for the weekend's annual meeting.

ASEAN Expresses Support for Vietnam's Entry Into APEC

BK1807051396 Singapore THE STRAITS TIMES in English 18 Jul 96

[Report by Irene Ngoo in Jakarta — received via Internet]

[FBIS Transcribed Text] Asean has pledged full support for Vietnam's entry into the Asia-Pacific Economic Cooperation (Apec) forum when the moratorium on new membership is lifted.

Senior officials from the regional grouping assured their Vietnamese counterparts of their backing during the discussions here yesterday to prepare the groundwork for the weekend Asean Ministerial Meeting and next week's sessions with their dialogue partners.

The three-year moratorium on accepting new members ends in November, but there are moves to extend it to give the 18-member economic consultative body "a breather" to consolidate its activities.

The seven-year-old forum has also just begun to implement its targets of achieving free trade and investment in the region by 2020.

Vietnam, which joined Asean last year,is eager to gain early entry into Apec as the Asia-Pacific economies account for more than 80 per cent of its foreign investment and trade volume.

It is hoping that its membership in Asean could give it priority to enter Apec so that it will not be the "odd-man out" in the grouping.

Vietnamese Foreign Minister Nguyen Manh Cam sent a letter recently to his Filipino counterpart Domingo Siazon indicating Hanoi's wish to join Apec.

The Philippines will host the Apec summit in Subic Bay in November.

Philippine Undersecretary for Foreign Affairs Rodolfo Severino yesterday confirmed Vietnam's request for Asean's support for its Opec application, but said it understood why an exception to the moratorium could not be made for Hanoi.

Asean officials said giving Vietnam special preference would go against the commitment given by Apec ministers in Seattle in November 1993 that there should be a three-year-moratorium on new membership.

Asean sources said there was a long line of countries knocking on Apec's door, including several Latin American nations.

Senior officials said Asean would seek priority for Vietnam's entry into the grouping over others once the moratorium was lifted.

Vietnamese Vice Foreign Minister Vu Khoan yesterday confirmed that the Asean foreign ministers meeting on Saturday and Sunday would declare their support for its Apec application and this would be reflected in their joint communique.

"Naturally, we would like to join Apec as soon as possible, in Manila in November if we could. But we understand that the final decision must come from the Apec body and not Asean," he told reporters.

Mr. Izhar Ibrahim, director-general of Indonesia's Foreign Ministry, briefing the press on the meetings of the senior officials and standing committee, said delegates yesterday finalized the draft joint communique and the statement to be released by the chairman of the Asean Regional Forum, which will take place on Tuesday. These would be submitted to the Asean foreign ministers for approval.

He said yesterday's talks ranged over a wide spectrum of regional and international issues, such as disarmament, Myanmar's [Burma] admission as an observer to Asean and the ARF [Asean Regional Forum], the territorial disputes in the South China Sea, tension on the Korean Peninsula and new criteria for new ARF membership and Asean dialogue partners.

Alatas Addresses ASEAN Standing Committee Meeting

BK1807094596 Jakarta Radio Republik Indonesia Network in Indonesian 0700 GMT 18 Jul 96

[FBIS Translated Text] The two-day meeting of the ASEAN Standing Committee ended in Jakarta today after deliberating several issues related to expansion of regional cooperation. Our correspondent Tommy Kwadiwelas reports:

[Begin recording] [Kwadiwelas] The ten countries grouped in ASEAN believe that their economic cooperation is a major and important factor on the eve of the 21st century in addition to cooperation in political, security, and functional areas as well as efforts to upgrade the ASEAN Secretariat office. Foreign Minister Ali Alatas said this when he addressed participants and observers of the sixth ASEAN Standing Committee meeting at the Jakarta Convention Center at 1000 this morning.

Speaking in his capacity as chairman of the 29th ASEAN Standing Committee, Alatas added that ASEAN has consistently played a central role in developing a consultation forum and constructive dialogues in every regional forum aimed at maintaining regional peace, security, and stability. Alatas said ASEAN has reached agreement on a free market and upholding the free trade system as part of the global economy.

The Indonesian foreign minister noted that Cambodia and Laos have made adequate preparations and actively taken part in all ASEAN activities. The two countries will become full members of ASEAN in 1997. As for Myanmar [Burma], that country has now gained observer status. An ASEAN working group is now carefully studying Myanmar's potentials and this will enable that country to become a full member of ASEAN. Alatas said even though Myanmar is still facing domestic political problems, that country has made progress in economic field.

[Alatas, speaking in English] It remains an internal issue. Of course we may have our views about it.

[Kwadiwelas] Alatas disagrees with those who compare Myanmar's situation with that of Bosnia-Herzegovina or countries in the Middle East,which have problems with international implications. Myanmar has no negative impact on ASEAN countries. Alatas even stressed that Myanmar's domestic situation does not worry ASEAN countries.

As a follow-up to the resolution reached at the ASEAN summit meeting in Bangkok last year, ASEAN countries are now carrying out cooperation in science and technology, culture and information, social development, intensive supervision of narcotics trafficking, and preventive measures against the spread of AIDS for a five-year period.

On foreign relations, ASEAN has carried out partnership dialogues with India and upgraded the status of the PRC and Russia so they can become full dialogue partners. ASEAN has also carried out partnership dialogues with the United Nations Development Program.

Alatas also expressed confidence that the wisdom and experience of Malaysia, which will become the next chairman of the ASEAN Standing Committee, will enable ASEAN to realize the common hopes and objectives on the eve of the 21st century.

Japan

Japan: JAL Gets U.S. Nod To Continue Hiroshima-Honolulu Flight

OW1707113696 Tokyo KYODO in English 0942 GMT 17 Jul 96

[FBIS Transcribed Text] Tokyo, July 17 (KYODO) — U.S. Aviation authorities have allowed Japan Airlines (JAL) to operate a weekly round-trip charter flight between Hiroshima and Honolulu for four more weeks, Transport Ministry officials said Wednesday.

Permission for operation of the route was due to expire the same day.

In response to the renewal, the ministry intends to allow United Airlines of the United States to continue flying seven extra flights per week between Tokyo and Los Angeles for four weeks after the expiry of the existing permit next Monday, the officials said.

JAL had applied to the U.S. Government for approval to open a regular route between Hiroshima and Honolulu, while United was seeking the Japanese Government's nod to add seven flights to its regular service between Tokyo and Los Angeles.

The applications were turned down, however, as Japan and the U.S. failed to reach an accord on passenger services in their aviation talks in late June.

The two governments have so far twice renewed approval for the temporary services as demand for flights on the two routes increases in summer.

Japan: Transport Minister To Protest U.S. Sanctions on JAL

OW1707123896 Tokyo KYODO in English 1153 GMT 17 Jul 96

[FBIS Transcribed Text] Tokyo, July 17 KYODO — Transport Minister Yoshiyuki Kamei will send a letter to U.S. Transportation Secretary Federico Pena to protest U.S. proceedings for possible sanctions on cargo flights by Japan Airlines (JAL), ministry officials said Wednesday.

Kamei's letter will reject as unacceptable what Japan is terming unilateral action in defiance of the 1952 Japan-U.S. Aviation Treaty, and also says Japan will take steps in response to the U.S. move, the officials said.

The two countries' posturing comes four months after Japan and the United States struck an air cargo agreement to expand services by Japanese and U.S. carriers.

The United States launched proceedings Tuesday to possibly impose sanctions on JAL in reaction to Japan's refusal to allow U.S. cargo carrier Federal Express (FEDEX) to pick up cargo in Japan and fly on to five Asian cities under "beyond rights."

The sanctions would bar the Japanese airline from transporting cargo to the U.S. from Beijing, Manila and three other Asian cities via Japan.

Washington is expected to hear from interested parties by the end of July before making a final decision as early as August.

Tokyo, meanwhile, is expected to announce possible countersanctions within this week that would target existing U.S. cargo flights that are serving Asian countries after stopovers in Japan under beyond rights.

Japan is showing reservations about the FEDEX request for new services under beyond rights apparently because it wants to redress what it sees as imbalances between Japanese and U.S. Aviation capabilities.

The Japanese Transport Ministry argues that the standoff should be settled through negotiations. Failing that, a mediator should be enlisted under the bilateral aviation pact, the ministry officials said.

Japan: Implementation of Countermeasures to U.S. Sanctions Seen

OW1807100196 Tokyo NIHON KEIZAI SHIMBUN in Japanese 18 Jul 96 (morning edition) p 5

[FBIS Translated Text] In response to the U.S. Government's sanction policy against Japan in connection with the cargo portion [of the bilateral aviation treaty], the Ministry of Transport [MOT] disclosed on 17 July the government's intention to start taking countermeasures as early as within this week. Transport Minister Yoshiyuki Kamei announced a statement that "Japan will not approve of such unilateral measures to be taken by the U.S. side; therefore, it is inevitable for Japan to work out corresponding measures." Kamei will send U.S. Secretary of Transportation Federico Pena a letter to informing him of Japan's intention, stressing that confrontations between two countries should be settled through consultations.

With regard to the U.S. proposal of imposing sanctions, Japan Air Lines Co., Ltd. [JAL] intends "to urge the MOT to take countermeasures against U.S. carriers." However, even if the sanctions against Japan should be launched, it is observed that JAL will sustain slight damage. Therefore, some people believe that "it is hard to grasp the background of the hard-line attitude taken by the U.S. Government" (as stated by a JAL executive).

The proposed sanctions will prohibit JAL from transporting cargo from the Philippines, China, and Indonesia to the United States via Japan. Only the cargo transported in cargo spaces of JAL passenger aircraft will be the target of the sanctions, and it will be merely 6.6 percent of the cargo transported from Asian countries to the United States.

What Japanese airlines have pointed out is the U.S. Government's connection with Federal Express Corp. [Fedex] that called for sanctions. It is said that Fedex Chairman Frederic Smith, who has a close relation with Vice President Al Gore, has opposed the agreement reached at the talks over the cargo portion last April, in which the interpretation of the Beyond Right was shelved. Taking this situation into account and the fact that the presidential election lies just around the corner, it is observed that the sanction policy may be "the outcome of the U.S. Government showing its consideration for the Fedex."

Japan: Further on Countermeasures to U.S. Sanctions Seen

OW1807121596 Tokyo KYODO in English
1127 GMT 18 Jul 96

[FBIS Transcribed Text] Tokyo, July 18 KYODO — Japan will take retaliatory action against the United States if it takes sanctions against Japan Airlines (JAL) cargo flights, the Transport Ministry said Thursday.

Japan would ban a U.S. airline from operating flights between Japan and five Asian destinations — Manila and Cebu in the Philippines, Kuala Lumpur and Penang in Malaysia, and Singapore, ministry officials said.

Washington launched proceedings for the sanctions against JAL on Tuesday to counter Japan's refusal of flight requests by U.S. cargo carrier Federal Express Corp. (FEDEX).

FEDEX applied to the Japanese Transport Ministry for opening five new flights to Asian countries under "beyond rights" to freely open new routes and boost flight frequencies beyond Japan to third nations.

FEDEX had planned to begin July 1 the requested new summer schedules — involving increased flights from Kansai International Airport near Osaka to Manila and Cebu in the Philippines, and Jakarta, and starting new flights from the airport to Shanghai and Beijing.

The Japanese Government says U.S. airlines have no vested rights for flights to the Chinese cities, while needed documents were not submitted for approval of the remaining three routes.

It says Japan's refusal to grant the FEDEX requests was in line with the bilateral aviation pact and the latest U.S. action is unacceptable.

Washington is expected to decide whether or not to punish JAL in early August, industry sources said.

The sanction would ban the Japanese airline from operating cargo flights to the U.S. from Manila and four other cities in Asia via Japan, the sources said.

Annual cargo transportation by JAL which is subject to the sanctions accounts for 2,500 tons, or 7 percent of its annual total in the Asia-Oceania area.

A JAL official said the airline will minimize the possible effects from the step by asking other airlines to carry cargo on the routes.

A Japanese Transport Ministry source said Washington's initial action for sanctions against JAL constitutes violation of the 1952 Japan-U.S. aviation pact which calls for consultations as a means of settling bilateral disputes.

Tokyo, Washington Begin Talks on Insurance Dispute

OW1707143296 Tokyo KYODO in English
1348 GMT 17 Jul 96

[FBIS Transcribed Text] Tokyo, July 17 (KYODO) — Japan and the United States started two-day working-level talks in Tokyo on Wednesday to lay the groundwork for settling the bilateral insurance dispute at a senior-level meeting next week, Japanese officials said.

In a bid to strike a deal by the July 31 deadline, discussions focused on clarifying in which areas the two countries agree and in which they disagree, the officials told reporters.

The latest round of talks are not the place for the two countries to seek a settlement, the officials said, adding they are intended to make preparations for a senior-level meeting next week.

Eisuke Sakakibara, director general of the Finance Ministry's international finance bureau, and Ira Shapiro, senior counsel and negotiator of the office of the U.S. trade representative, are scheduled to meet late next week somewhere other than Tokyo and Washington, they said.

In Washington on Tuesday, a U.S. Administration source said Sakakibara and Shapiro will meet in Vancouver, Canada, on July 25-26.

The Japanese officials, however, said the two countries have yet to set the details of their talks.

A Finance Ministry official, meanwhile, said that at Wednesday's meeting, Japanese and U.S. negotiators "enumerated" major points of their respective arguments so far made in the dispute over measures taken by Japan to liberalize its insurance market.

Asked about prospects for the issue's settlement by the July 31 deadline, the official said, "this is a very difficult conference. To be frank, negotiations are facing rough going."

Political decisions may be required for the two countries to settle the dispute, he said.

The two-day working-level meeting is being attended by Haruhiko Kuroda, head of the Finance Ministry's Institute of Fiscal and Monetary Policy, and Deputy Assistant U.S. Trade Representative James Southwick.

Kuroda became the institute chief last Friday after serving as deputy director general of the ministry's international finance bureau. He continues, however, to be in charge of insurance negotiations with the U.S.

At a peripheral meeting of the summit of the Group of Seven (G-7) industrial countries in Lyons, France, in late June, Prime Minister Ryutaro Hashimoto and U.S. President Bill Clinton agreed to strike a deal on the insurance issue by the end of July.

The two nations are at odds over the interpretation of special measures for Japan to take under the 1994 insurance agreement to avoid "radical changes" in the so-called third-sector before proceeding with substantial liberalization in the primary life and nonlife insurance sectors.

The third sector covers such insurance areas as cancer, nursing-care and accidents that fall in a gray zone between primary life and nonlife insurance sectors.

Foreign insurers have a strong hold in such lucrative products as cancer insurance, with major Japanese life and nonlife insurance firms not allowed to enter those areas.

Japan: Ikeda To 'Clarify' Security Pact With U.S. at ARF Meeting

OW1807014296 Tokyo ASAHI SHIMBUN in Japanese 17 Jul 96 Morning Edition p 2

[FBIS Translated Text] Foreign Minister Yukihko Ikeda has decided to explain again the purport of the "redefinition" of the Japan-U.S. security pact — on which an agreement was reached at the Japan-U.S. summit talks in April — to China, ASEAN nations, and other countries by using the opportunity of the ASEAN Regional Forum (ARF) meeting to be held in Indonesia on 23 July. This is because various countries are concerned that the Japan-U.S. joint declaration has virtually expanded the scope of Japan-U.S. security arrangements from the Far East to the Asia-Pacific region. The foreign minister intends to explain that the "scope of the security treaty is limited to the Far East" and that "Japan-U.S. security arrangements will contribute to peace and stability in the Asia-Pacific region."

The Japan-U.S. Joint Declaration on Security issued after the April Japan-U.S. summit meeting reconfirmed the importance of bilateral security arrangements and called for Japan-U.S. cooperation in possible emergency in the "area surrounding Japan." At the same time, the two countries agreed to begin a review of the "Guidelines for Japan-U.S. Defense Cooperation," and working-level consultations have already started to that end.

In response to this, Qian Qichen, Chinese vice premier and foreign minister, asserted immediately after the Japan-U.S. summit meeting that, "if the security treaty is expanded to the region, this will become a major problem." After that, Chinese government leaders repeatedly expressed a sense of concern during meetings with senior members of the Japanese ruling and opposition parties who visited China.

On the other hand, some ASEAN nations hope that the Japan-U.S. security treaty will serve as a deterrent to China's possible military expansion. However, in light of past history, some people say that, "if the Japanese army plays a certain role in the world, it will be a very sensitive issue" (as stated by Indonesian Foreign Minister Alatas). Others point out the possibility of arousing China, saying, "nations that regard Japan-U.S. security arrangements as a new alliance against them may take countermeasures militarily, thus leading to an arms expansion race" (as stated by Malaysian Prime Minister Mahathir).

The Japanese Government has concluded that "there is concern that the Japan-U.S. security treaty may be expanding, breaking away from the framework of the Far East" (according to a senior Foreign Ministry official). Therefore, the government has decided to clarify that "Japan will not play a military role in the Asia- Pacific region" (as stated by a Foreign Ministry source) by using the opportunity presented by the bilateral meetings and general ARF meeting, where China, South Korea, and ASEAN nations will come together to discuss security issues in the Asia-Pacific region.

The United States also feels anxious about Asian nations' expressing concern over Japan-U.S. security arrangements. U.S. Presidential Assistant Anthony Lake (in charge of national security) stated during recent meetings with Chinese leaders: "The Japan-U.S. Joint Declaration on Security and the review of the bilateral defense cooperation guidelines are definitely within the scope of the Japanese Constitution. Japan-U.S. security arrangements have contributed to stability in the region for the past 50 years."

Japan: Bilateral Panel Begins Study of Defense Guideline

OW1807061196 Tokyo KYODO in English 0530 GMT 18 Jul 96

[FBIS Transcribed Text] Tokyo, July 18 KYODO — Japan and the United States began work Thursday to specify joint actions to be taken under fresh bilateral defense cooperation guidelines, Japanese officials said.

In the inaugural meeting of a new panel to review the current guidelines, both sides confirmed that the review will not affect the mutual security arrangements and the basic framework of the bilateral military alliance, the officials said.

They also reaffirmeb that the review will be conducted in accordance with Japan's war-renouncing constitution, which prohibits the use of force in resolving international disputes.

Japanese participants include Masaki Orita, director general of the Foreign Ministry's North American Affairs Bureau, and Masahiro Akiyama, director general of the Defense Agency's Defense Policy Bureau.

The U.S. team is led by Franklin Kramer, assistant secretary of defense, and Charles Kartman, deputy assistant secretary of state.

Tokyo and Washington agreed in a joint security declaration released in April to review the current guidelines, established in 1978, which lay down rules of joint response to direct invasion of Japan.

The review is designed to brikg the guidelines in line with the post-Cold War era so that the two countries can cooperate in coping with conflicts in the Far East as well as with direct attacks on Japan.

The panel is scheduled to offer recommendations for consideration at a ministerial-level bilateral security forum to be held in the U.S. in September.

Japan: Local Officials: Kadena Heliport 'Absolutely Unacceptable'

OW1807054096 Naha OKINAWA TIMES in Japanese 18 Jul 96 Morning Edition p 3

[FBIS Translated Text] Kadena Air Base [KAB] is fast emerging as a canditate site for the substitute heliport entailed by the full return of the Marine Corps Air Station Futenma. In this connection, Kadena Town, Chatan Town, and Okinawa City, which have jurisdiction over the area used by KAB, agreed on 17 July that the three local governments will act in unison on this issue. This was reported to the meeting of the Association of Local Governments in the Central Region [ALGCR] on the same day, and the cooperation of the association was requested.

Kadena Mayor Tokujitsu Miyagi, Chatan Mayor Choichi Hentona, and Deputy Mayor Eiken Kayo of Okinawa City (Mayor Shusei Arakawa was on a business trip) held a meeting before the regular meeting of the association for July. They agreed that "working level discussions should be held shortly to determine the concrete steps to be taken."

The ALGCR has already expressed its opposition to relocation of the heliport within Okinawa Prefecture, which will come with the complete return of the Futenma base. However, the national government recently made a proposal to the U.S. Government to incorporate the heliport in KAB, and Diet members elected from Okinawa have also expressed agreement to this plan. Thus, relocation to KAB is fast emerging as a likely option.

Mayor Miyagi and the two other officials pointed out that, "KAB, as it is, is already overcrowded. Relocation to KAB is absolutely unacceptable."

Japan: Kin Residents Hold Rally To Oppose Relocation of Heliport

OW1807085596 Naha OKINAWA TIMES in Japanese 18 Jul 96 Morning Edition p 1

[FBIS Translated Excerpt] Kin Town — On the evening of 17 July, residents of Kin Town gathered at Kin Elementary School to oppose the proposed relocation of Marine heliport from Futenma Air Station to Camp Hansen. Some 700 local residents participated in the rally (as announced by the action committee of Kin people opposing bases relocation), and community leaders called for "Resistance to the end" and "Kin people's united struggle" to check the relocation proposal. Nago City has already had a protest rally, and the associations of mayors and municipal assembly speakers of North Okinawa announced their positions to oppose relocation of the Futenma heliport. People in North Okinawa — neighbors of Camp Schwab and Camp Hansen — are getting angry about these burdens. [passage omitted]

Mayor Katsuhiro Yoshida will fly to Tokyo on 23 July leading a seven-men petition team to hand the resolution adopted at the rally to government agencies concerned, such as the prime minister's office and the Foreign Ministry.

Japan: Police Obtain Arrest Warrant for U.S. Sailor Over Assault

OW1807122796 Tokyo KYODO in English
1211 GMT 18 Jul 96

[FBIS Transcribed Text] Nagasaki, July 18 KYODO — Police obtained an arrest warrant Thursday for a U.S. Navy sailor on suspicion of attempted murder and robbery in connection with an assault on a 20-year-old woman, police sources said.

Police plan to demand that the U.S. military turn the sailor over to Japanese authorities since he was taken into custody by the U.S. military Tuesday for suspected involvement in the case after blood was found on his clothing when he went through a checkpoint at the U.S. Navy base in sasebo in western Japan.

The sailor, a 20-year-old crew member from the guided missile frigate McClusky, has denied any involvement in the crime.

According to sources close to the case, the sailor was questioned by Nagasaki Prefectural police after being taken into custody by the U.S. military.

If the seaman is turned over to the Japanese authorities, it would be the first such handover since the United States agreed last year to turn over U.S. military personnel suspected in criminal cases even before they are indicted.

Until last October, under the 1960 status of forces agreement, U.S. military personnel suspected of committing crimes in Japan could not be turned over to Japanese authorities before being formally indicted by Japanese prosecutors.

The change in enforcement of the bilateral status agreement came in the wake of the rape of a 12-year-old schoolgirl in Okinawa Prefecture last September, for which three U.S. servicemen are now serving jail sentences.

In the rape case, police obtained arrest warrants for the three men three days after the incident, but the U.S. military refused to turn them over to Japanese authorities under the agreement, triggering an outcry among people in Okinawa against the U.S. military presence.

Nagasaki Gov. Isamu Takada expressed hopes that the U.S. sailor will be turned over to the Japanese side if an arrest warrant is issued for him.

"Not much time has passed since the agreement was reached on the enforcement of the Japan-U.S. Status of Forces Agreement in the wake of the Okinawa incident, so I strongly hope this case will be handled under the agreement," Takada said in a statement.

Meanwhile, the Nagasaki Prefectural government and municipal government received a wave of requests from local labor unions that the sailor be turned over to the Japanese side.

According to police, Kaori Tanigawa was slashed in the throat by a man who approached her from behind while she was walking near a park around 1 A.M. Tuesday.

Tanigawa, who was seriously injured, was quoted as telling police in writing, "I was deprived of my handbag. It looked like a foreigner."

Police found the bag near a hospital about 200 meters from the scene of the crime, the officials said.

The McClusky was docked at the sasebo naval base until Tuesday evening.

Japan: Political Group Sets Up Lighthouse on Senkaku Islands

OW1807085396 Tokyo SANKEI SHIMBUN
in Japanese 17 Jul 96 Morning Edition p 1

[FBIS Translated Text] A political group based in Tokyo has set up a new lighthouse on the Senkaku Islands in the East China Sea, according to investigation by the Maritime Safety Agency [MSA] as of 16 July. Although Japan has virtual control over the islands, the People's Republic of China [PRC] has claimed the islands as its own territory. When the same political group set up a lighthouse on another part of the islands in 1989 and requested the government to approve the lighthouse as an official navigational signal, it was met with severe opposition from Taiwan [Republic of China] and the PRC. It is possible that once again a diplomatic and political issue may develop over recognition of the lighthouse.

An MSA cruiser has confirmed that the lighthouse has been set up in the northwestern end of Kita Koshima, one of the islets belonging to the Senkaku Islands. Seven members of a political group called "Nippon Seinensha" (based in Chuo-ku, Tokyo) sailed to and landed on the islet in the day time on 14 July and set up a lighthouse. The lighthouse is made of aluminum alloy, weighs approximately 210 kilograms and stands about five meters high. The lighthouse lantern is powered by solar batteries and its beam can reportedly be sighted from approximately 30 kilometers away.

The political group has made radical improvements to a lighthouse the group set up on the western shore of Uotsurishima, another islet belonging to the Senkaku Islands, in 1988. The group's intention was to make Japan's virtual control over the Senkaku Islands decisive, thinking that "if the lighthouse was to be officially recognized and listed on navigational maps and lighthouse tables, the Senkaku Islands would be internationally recognized as Japanese sovereign territory."

At the time, the MSA rejected the political group's request, saying that it could only accept requests from fishermen or fisheries-related personnel. Consequently, the group bequeathed the lighthouse to the head of a local fishing boat owners association, and a request was then submitted in 1989. Since the requirements for a lighthouse were met, the government was prepared to approve the request in 1990, but Taiwan authorities raised objection to it. Since a Japanese fishing boat was prevented from landing on the Senkaku Islands and the PRC has also lodged protest, the government's official approval is still up in the air. In 1992, the PRC designated the Senkaku Islands as Chinese territory in its law on the territorial sea.

Regarding its latest lighthouse, the Japanese political group wants to complete by 1 August the necessary paper work for official recognition of the lighthouse.

After the application is submitted, the MSA is to conduct an investigation of the area within 30 days, and it is expected that a decision will be made before the end of August on whether the application will be accepted.

Japan: UN Maritime Law To Take Effect 20 Jul

OW1807102896 Tokyo KYODO in English 0843 GMT 18 Jul 96

[FBIS Transcribed Text] Tokyo, July 18 KYODO — The U.N. Convention on the law of the sea will take effect in Japan on Saturday, setting in place a 4.51-million-square kilometer exclusive economic zone around the country.

The treaty, already signed by more than 90 countries, allows signatories to establish a 200-nautical mile exclusive economic zone, giving nations sovereignty-like power over the maritime and natural resources within the zone.

Japan's economic zone is the sixth largest in the world.

Related laws concerning the territorial waters, the economic zone and the continental shelf will also be put into effect on the same day.

Japan's 12-nautical mile territorial waters and 200-nautical mile economic zone will be established when the treaty and the laws take effect.

Japan and South Korea have already agreed to start talks for a fisheries pact following the implementation of the laws, and separate them from the bilateral territorial dispute over islets in the sea of Japan, known in Japan as Takeshima and in South Korea as Tokto.

Japan could, however, face a bitter diplomatic row with China concerning ownership of the continental shelf between the two countries and of the Senkaku Islands, a group of uninhabited islands nearly 200 kilometers northeast of Taiwan.

China claims the islands although the United States returned them to Japan with the reversion of Okinawa prefecture in 1972.

The Japanese Government plans to start talks with the two countries in order to strike deals on fishery agreements and demarcations of the continental shelf as soon as the laws are put into effect.

Japan will set an adjacent zone of 12 nautical miles around the territorial waters where Japanese laws concerning customs and immigration control will be applied to prevent smuggling of drugs and arms.

Tokyo will refuse passage of warships carrying nuclear arms through its territorial waters although the UN treaty allows the right of innocent passage.

Japan: MOFA Spokesman on Ikeda's Asia Trip, ARF Meeting

OW1707125596 (Internet) Japanese Ministry of Foreign Affairs WWW in English 16 Jul 96

[News conference by Japanese Ministry of Foreign Affairs [MOFA] spokesman Ken Shimanouchi with unidentified reporters on 16 July; place not given; from the "What's New" link]

[FBIS Transcribed Text] [Topics of Discussion]

I. Visit by Minister for Foreign Affairs Yukihiko Ikeda to the Republic of Indonesia, the Republic of Singapore and the Socialist Republic of Vietnam

II. Possible discussion of the Japan-U.S. Joint Declaration on Security at the ARF Meeting in Jakarta

III. Possible discussion at the ARF Meeting in Jakarta of the situation on the Korean Peninsula

I. Visit by Minister for Foreign Affairs Yukihiko Ikeda to the Republic of Indonesia, the Republic of Singapore and the Socialist Republic of Vietnam

Foreign Ministry Spokesman Ken Shimanouchi: Good afternoon, ladies and gentlemen. Before I take your questions, I have a brief announcement regarding the visit to Southeast Asia by Minister for Foreign Affairs Yukihiko Ikeda next week. Foreign Minister Ikeda will be visiting three countries from 21-29 July. He will first go to Jakarta, Republic of Indonesia, where he will attend the third ministerial meeting of the ASEAN Regional Forum (ARF), and the ASEAN Post-Ministerial Conference With Dialogue Partners (PMC). After that, he will be visiting the Republic of Singapore and the Socialist Republic of Vietnam. The ARF Meeting scheduled for 23 July will be attended by representatives of 20 countries and the European Union. The Republic of India and the Union of Myanmar [Burma] will be participating for the first time in the ARF. In the PMC scheduled for 24-25 July, 16 countries and the European Union will be attending. India, the People's Republic of China and the Russian Federation will be participating in this conference for the very first time. In the ARF, ministers will be exchanging views on regional security issues, and will be discussing concrete confidence-building measures to be promoted in the ARF process. In the PMC, wide ranging views will be exchanged on political, security and economic issues, and on the cooperative relations between Japan and ASEAN. During his stay in Indonesia, Foreign Minister Ikeda will be paying a courtesy call on President Suharto of the Republic of Indonesia. Foreign Minister Ikeda will also take advantage of this opportunity to hold talks with his counterparts attending the meetings in Jakarta. After Jakarta, he will be moving on to Singapore. He will visit Singapore on 25-26 July. He will have a meeting with his counterpart, Minister of Foreign Affairs Shanmugam Jayakumar of the Republic of Singapore. He will be exchanging views on bilateral relations and other matters of common interest with Foreign Minister Jayakumar. He will also be paying a courtesy call on Prime Minister Goh Chok Tong and Senior Minister Lee Kuan Yew of the Republic of Singapore. On the last leg of his trip, he will be visiting Hanoi. This will be on 27-28 July. In Hanoi, he will be paying a courtesy call on General Secretary of the Communist Party Do Muoi of the Socialist Republic of Vietnam, and will also be holding talks with Minister of Foreign Affairs Nguyen Manh Cam of the Socialist Republic of Vietnam on bilateral relations, among other things.

That is the announcement that I wanted to make, and I will be delighted to respond to any questions that you might have.

II. Possible discussion of the Japan-U.S. Joint Declaration on Security at the ARF Meeting in Jakarta

Q: Does the Government of Japan expect the recent Joint Security Declaration by Japan and the United States to be a major point of discussion during the ARF Meeting?

A: During the ARF, one of the things that we will be discussing is the regional security environment. In this context, we intend to make a brief explanation of the Japan-U.S. Joint Declaration on Security.

III. Possible discussion at the ARF Meeting in Jakarta of the situation on the Korean Peninsula

Q: On the North Korea situation, could you fill us in on how that will figure in the ARF?

A: In the ARF Meeting, we will be discussing two things: we will be exchanging views on the regional security environment, and we will also be discussing specific ARF activities, such as confidence-building measures. Under the first agenda item, we will be discussing a number of security issues, but there is no fixed agenda. But, we do anticipate that the situation on the Korean Peninsula will be discussed. It has been discussed in the past, and we believe that it will be discussed this time. We also expect the situation in the South China Sea, the Spratlys, might be discussed, among other things. Thank you very much.

Japan: Itinerary, Agenda for Ikeda's Asia Trip Announced

OW1707125396 (Internet) Japanese Ministry of Foreign Affairs WWW in English 16 Jul 96

[Itinerary for Foreign Minister Yukihiko Ikeda's attendance at ASEAN Regional Forum and ASEAN post-ministerial conference and visit to Singapore and Vietnam; from the "What's New" link]

[FBIS Transcribed Text] 1. Mr. Yukihiko Ikeda, Minister for Foreign Affairs, will visit Indonesia (Jakarta) to attend the Third Ministerial Meeting of the ASEAN Regional Forum (ARF) and the ASEAN Post-Ministerial Conference with Dialogue Partners (PMC), and will also pay a visit to Singapore and Vietnam, from July 21 (Sun) to 29 (Mon).

2. The ARF (July 23) will be attended by the foreign ministers and others of 20 countries and one union, consisting of seven ASEAN countries, and also Japan, the ROK, the U.S., Canada, Australia, New Zealand, China, Russia, Laos, Papua New Guinea, Cambodia, India, Myanmar [Burma], and the EU (India and Myanmar

are new participants from this ARF). The PMC (July 24 and 25) will be attended by the foreign ministers and others of 16 countries and one union, consisting of seven ASEAN countries, Japan, the ROK, the U.S., Canada, Australia, New Zealand, India, China, Russia and the EU (India, China and Russia are new participants from this Conference).

3. Ministers will exchange their views on regional security issues in a frank manner, and discuss concrete confidence building measures to be promoted in the ARF process. At the PMC, wide-ranging views will be exchanged on international political, security and economic issues and on the cooperative relations between Japan and the ASEAN.

4. During his stay in Indonesia, Mr. Ikeda will pay a courtesy call on President Suharto and have bilateral talks, etc. with foreign ministers and others taking part in the Conference.

5. On July 25 (Thu) and 26 (Fri) in Singapore, the Japanese Foreign Minister will exchange views with Foreign Minister Jayakumar on bilateral relations, etc., and also pay courtesy calls on Prime Minister Goh, Senior Minister Lee Kuan Yew and others. On July 27 (Sat) and 28 (Sun) in Hanoi, Mr. Ikeda will pay courtesy calls on Secretary General of the Communist Party of Vietnam Do Muoi and others, and will exchange views with Foreign Minister Nguyen Manh Cam on bilateral relations, etc.

6. Mr. Ikeda's visit to Singapore is intended to confirm matured bilateral relations appropriate to the country's economic and diplomatic development, and to further strengthen the partnership between Japan and Singapore in the international arena. His visit to Vietnam, the first in five years by a Japanese Foreign Minister to that country, is expected to promote relations of friendship and mutual trust between Japan and Vietnam.

Japan: Suu Kyi Sends Note Urging Hashimoto To Help Democratization

OW1807103196 Tokyo MAINICHI SHIMBUN in Japanese 18 Jul 96 Morning Edition p 7

[FBIS Translated Text] Aung San Suu Kyi, secretary general of the Burmese National League for Democracy [NLD], sent letters to Prime Minister Ryutaro Hashimoto, U.S. President Bill Clinton, and other leaders, in addition to the foreign ministers of ASEAN forum member countries, in mid-June. The main points of Suu Kyi's letter to Hashimoto was as follows: 1) Praising the Japanese Government for asking the release of NLD members arrested by the State Law and Order Restoration Council (SLORC); and 2) requesting the Japanese Government to urge the SLORC to promote Burma's democratization. Hashimoto has not replied to Suu Kyi because, among other reasons, the Japanese Government "has already urged the SLORC to promote democratization" (according to a Foreign Ministry source).

Tokyo To Grant 340 Million Yen to Paraguay

OW1507143296 Tokyo KYODO in English 1341 GMT 15 Jul 96

[FBIS Transcribed Text] Tokyo, July 15 KYODO — Japan will extend a grant of up to 340 million yen to Paraguay to finance a water supply project in the South American country, the Foreign Ministry said Monday.

Paraguay's Foreign Minister Ruben Melgarejo Lanzoni and Japan's parliamentary Vice Foreign Minister Hajime Ogawa exchanged documents concerning the aid in the Paraguayan capital of Asuncion the same day, the ministry said.

Ogawa is visiting Paraguay on a tour of four South American nations, which also include Argentina, Uruguay and Chile.

The sum will be used to purchase excavators to dig deep wells and improve water supply in farming areas in eastern Paraguay, the ministry said.

Japan: Kubo Urges Small Banks To Restore Depositors' Trust

OW1807030696 Tokyo KYODO in English 0213 GMT 18 Jul 96

[FBIS Transcribed Text] Tokyo, July 18 KYODO — Finance Minister Wataru Kubo urged smaller regional banks Thursday to restore depositors' trust by completing disposal of problem loans as soon as possible.

To do this in the current tough business environment, it is necessary for banks to further promote restructuring, tighten their risk management and strengthen their capital base, Kubo said in a statement read by Yoshio Hachiro, parliamentary vice finance minister, at an annual convention of the Second Association of Regional Banks.

The association is the group of regional banks which were formerly mutual loans and savings banks. They are smaller than traditional regional banks.

In the past year, two association members collapsed due to huge problem loans, and their operations were taken over by newly established bailout banks.

The two were the Kobe-based Hyogo Bank, which was replaced by Midori Bank, and the Tokyo-based Taiheiyo Bank, which was taken over by Wakashio Bank.

In the statement, Kubo asked the association anew to cooperate in reducing the taxpayers' burden in a government scheme to liquidate seven failed "jusen" housing loan companies.

Under the scheme, some of the losses stemming from the dissolution of the jusen companies are to be covered by 685 billion yen in taxpayers' money.

In the face of public criticism, the government is seeking to create an 800 billion yen fund with money from financial circles in a bid to offset taxpayers' money by investment returns from the fund. The association plans to contribute 30 billion yen to the fund.

Assessing the present economic situation, meanwhile, Kubo said the Japanese economy is shifting from a recovery underpinned by public investment to a self-sustainable recovery led by private-sector demand.

The ministry will continue efforts to ensure economic recovery by steadily implementing stimulus measures in the fiscal 1996 budget.

Japan: BOJ, Others Agree To Contribute to 'Jusen' Fund

OW1807034496 Tokyo KYODO in English
0257 GMT 18 Jul 96

[FBIS Transcribed Text] Tokyo, July 18 KYODO — The Bank of Japan (BOJ) and financial institutions, including banks and agricultural lending institutions, have agreed to contribute to a proposed investment fund totaling 900 billion yen for easing taxpayers' burden in liquidating failed mortgage companies, financial sources said Thursday.

Following the agreement by the central bank and the institutions, Housing Loan Administration Corp., a proposed government-backed body in charge of collecting bad loans left by "jusen" housing loan companies, will be formally established as early as July 26, the sources said.

The company, which will be capitalized by the BOJ and private financial institutions, will start operations early October, they said.

Under the proposed scheme for creating the fund, 20 major banks, including commercial banks that founded the seven mortgage loan companies, are requested to jointly contribute 520 billion yen while major and second-tier regional banks are urged to donate 70 billion yen as a group.

Insurance companies and securities companies are expected to jointly contribute 58 billion yen.

In the public sector, the BOJ will contribute 100 billion yen to the fund and agricultural institutions plan to put up a total of 150 billion yen.

The Finance Ministry on Wednesday [17 July] urged Sakura Bank, whose president serves as the head of Japan's banking industry association, to work on how to distribute the 650 billion yen contribution burdened for the private sector.

Private financial institutions will discuss the distribution early next week, the sources said.

On the other hand, agricultural institutions will decide on their acceptance later Thursday while the central bank will also formally decide on the contribution early next week, they said.

Japan: Industry Sources Say Brokerage's 'Jusen' Burden Set

OW1807073296 Tokyo KYODO in English
0656 GMT 18 Jul 96

[FBIS Transcribed Text] Tokyo, July 18 KYODO — The securities industry will put up a total of 21 billion yen to make up for future losses from liquidation of the failed "jusen" housing loan companies, industry sources said Thursday.

The figure breaks down into 5 billion yen each by the "big four" securities companies of Nomura, Daiwa, Nikko and Yamaichi and a combined 1 billion by 11 second-tier brokerages, the sources said.

Under a government scheme for dissolution of the seven insolvent jusen, financial circles and taxpayers are supposed to equally shoulder losses which are expected to emerge when their problem loans transferred to a newly established loan recovery vehicle prove uncollectable.

The financial industry is to establish an investment fund to produce money to finance its share of the losses which analysts forecast will total at least 1.2 trillion yen.

Japan: Ministry Seeks To Cap Defense Budget Rise Below 2.5 Percent

OW1807110996 Tokyo KYODO in English
1006 GMT 18 Jul 96

[FBIS Transcribed Text] Tokyo, July 18 KYODO — The Finance Ministry has decided to call for limiting annual growth in the fiscal 1997 defense budget to below 2.5 percent, ministry sources said Thursday.

The ruling coalition has agreed not to exempt any budgetary items, including defense spending, from cost cutting in fiscal 1997 because of tight fiscal conditions.

Based on the agreement, the ministry will review defense expenditure to bring the defense budget increase for fiscal 1997 below the 2.58 percent mark registered in fiscal 1996.

The decision comes at a time when the ministry is drawing up guidelines for budget requests for the next fiscal year.

The ministry will find it difficult to curtail the defense budget because payments for procurement contracts from the past account for around 40 percent of the total.

Such payments are expected to peak at some 1.9 trillion yen in fiscal 1997, up more than 100 billion yen from a year earlier, says an official at the ministry's budget bureau.

Meanwhile, the yen's recent slide against the dollar has pushed up payments for dollar-based equipment contracts.

The government has to spend 2 billion yen more on dollar-based contracts for every 1 yen rise in the dollar's value.

Since the dollar has climbed about 10 yen over the past year, that should add 20 billion yen to dollar-based contract payments.

Under these circumstances, the ministry expects to radically cut labor and food expenses and general material expenses, which rose 0.1 percent and 0.3 percent, respectively, in fiscal 1996.

It is likely to propose cutting the number of self-defense forces personnel, which totals 240,000 at present.

Meanwhile, the coalition — the Liberal Democratic Party, the Social Democratic Party and New Party Sakigake — has decided not to take the cost of moving U.S. military bases in Okinawa into account in compiling the budget request guidelines.

The three parties are negotiating to set up a reserve by the end of the year to finance base transfers and regional development in Okinawa prefecture, coalition sources said.

Prime Minister Ryutaro Hashimoto showed interest in base transfer and regional development costs when he was briefed by finance ministry officials on progress in drawing up the budget guidelines, one of the officials said.

"The prime minister seems to be interested in Okinawa problems and a variety of other issues," Takeshi Komura, director general of the ministry's budget bureau, told reporters.

Japan: Mitsubishi Facilitating Technology Transfer to Taiwan

OW1807061096 Tokyo KYODO in English
0516 GMT 18 Jul 96

[FBIS Transcribed Text] Tokyo, July 18 KYODO — Mitsubishi Corp. has begun introducing unlisted Japanese companies to a Taiwanese venture capital company to help the Japanese companies transfer their technology to the Taiwanese concern, a Mitsubishi spokesman said thrusday.

Mitsubishi reached the agreement on the business tie-up with the Taiwanese concern, Chinese Development, to initially promote technology transfer from Japan, the spokesman said.

The agreement will also encourage the Taiwanese company to directly invest in promising Japanese businesses related to information technology, environment and other fields, he said.

After the Japanese companies become listed on stock exchanges, the Taiwanese company will be able to get capital gains, he said.

Mitsubishi plans to introduce two or three Japanese companies a year to the Taiwanese company a year. The investment by the Taiwanese company will be up to 200 million yen on each case, he said.

The Japanese trading house is also considering offering information on European and U.S. companies to the Taiwanese concern in the near future, he said.

Japan: Ministry Says Remedy for Declining Shipping Industry Needed

OW1707124896 Tokyo KYODO in English
0950 GMT 17 Jul 96

[FBIS Transcribed Text] Tokyo, July 17 (KYODO) — The Transport Ministry called Wednesday for measures to curb the decreasing numbers of Japanese-registered ships and Japanese seamen to overcome growing competition in the international shipping industry.

The ministry made the appeal in a "white paper on shipping" for 1996 released Wednesday.

The annual paper says transfer of shipping registration to tax havens such as Liberia and increasing employment of foreign seamen at low wages will weaken international competitiveness of the domestic ocean-going shipping industry.

The report notes that the number of domestically registered ships totaled 218, accounting for 11 percent of the nation's fleet of about 2,000 vessels.

The ratio marks a sharp drop from 51 percent recorded in 1980, it said.

The paper also notes that containers loaded and unloaded in East Asia accounted for 43 percent of the world total in 1994, up from 29 percent in 1985.

The report indicates that the shipping industry in Asia registered rapid growth behind low personnel costs while the domestic shipping industry suffered from low freight fares and the strong yen.

The paper calls on the government to bolster the merchant fleet by taking into account measures used in the United States and European countries such as tax breaks and mandatory regulations on the minimum number of a nation's seamen on board domestic vessels.

The ministry will study measures to prevent the further decline in the number of domestically registered ships and Japanese seamen in fiscal 1997, which begins next April, ministry officials said.

The officials said the measures will include cuts in ship registration and fixed asset taxes and requirements for shipowners to give advance notification of transfers of ship registrations to tax havens.

Mongolia

Mongolia: Parliament Elects New Speaker

LD1807074496 Moscow ITAR-TASS World Service in Russian 0603 GMT 18 Jul 96

[By ITAR-TASS correspondent Kim Boldokhonov]

[FBIS Translated Text] Ulaanbaatar, 18 Jul — Forty-two year old Radnaasumbereliyn Gonchigdorj was elected chairman at the first session of the new Mongolian parliament which opened today. He is one of the initiators of the democratic movement in the country which has started the socio-political and economic renewal of Mongolian society.

Gonchigdorj graduated from university in Ulaanbaatar, worked as the director of a mathematics institute of the National Academy of Sciences and gained a doctorate in mathematics and physics. He is married and has four children.

In 1990-92 he headed the People's Small Hural and was also an acting vice president of Mongolia. In 1992-96 he was a deputy of the People's Great Hural.

In the recent election he was elected to parliament from the Democratic Union of MNDP-MSDP [Mongolian National Democratic Party - Mongolian Social Democratic Party] coalition. Gonchigdorj is the leader of the Mongolian Social Democratic Party.

Several parties are represented in the new Mongolian parliament. The Democratic Union of MNDP-MSDP coalition has 50 seats, while the Mongolian People's Revolutionary Party, formerly the ruling party in the country, has 25. One deputy represents the Mongolian Conservative Party.

North Korea

DPRK Cleverly 'Navigating' Between U.S., PRC

OW1807132696 Tokyo MAINICHI SHIMBUN in Japanese 18 Jul 96 Morning Edition p 7

[By reporter Tetsuo Nakajima]

[FBIS Translated Text] Seoul, 17 Jul — The secret agreement on the PRC's providing food and energy supplies to the DPRK (North Korea) that was disclosed on 17 July clearly indicates the DPRK's strategy to cleverly pull itself through its crisis by navigating itself between the United States and the PRC, as well as symbolizes the restoration of the traditional friendly ties between the PRC and DPRK. When the PRC and the former Soviet Union were at odds in the past, the DPRK conducted a cleverly balanced diplomacy, maneuvering itself between those two countries. It is expected that the DPRK will now try to pursue the same strategy in regard to the United States and the PRC.

The recent restoration of PRC-DPRK ties has taken place very abruptly. On 21 May, DPRK Vice Premier Hong Sok-hyong visited the PRC, taking along a government delegation. It was the first time a North Korean vice-premier-level official visited the PRC in about one year and three months. This indicates that the DPRK wished to restore ties with PRC and that it acceded to bow its head to the PRC first.

In his meeting with Hong and the DPRK delegation, Chinese Premier Li Peng described the friendly ties between the PRC and DPRK as "that which has been bonded by blood." While this expression arises from the historical ties which developed between the PRC and North Korea when they fought side by side in the Korean War, its use was avoided when PRC-DPRK relations were on the rocks. On 10 July, Chinese President Jiang Zemin used the same expression to stress PRC-DPRK friendship when he met a North Korean delegation which arrived in the PRC on a goodwill tour.

PRC-DPRK relations began breaking down around 1991 when the PRC decided not to use its power to veto the ROK's application for membership in the United Nations. The bilateral ties deteriorated to a point where it seemed irreparable because, among other reasons, the

PRC and ROK normalized diplomatic relations and the PRC demanded that the DPRK make its trade payments in foreign currency. In April 1996, when the U.S. and ROK Presidents jointly proposed four-way talks, there were even rumors that "the DPRK is opposed to the idea of the PRC's participation."

It may be said that such frayed bilateral ties turned for the better all at once because that is what both sides wished. The PRC feared that the food shortage in the DPRK would worsen to a point where North Korean refugees would flow into the country en masse. The PRC also would not want to see its influence over the Korean peninsula decline as the DPRK began to rely more and more on the United States and Japan. The amount of Chinese aid promised in the secret agreement "is not enough to resolve the food and energy shortages, but is of a scale that would make the DPRK feel indebted," and suffices to ascertain the Chinese Government's speculation.

Meanwhile, there have been strong indications that the DPRK, which has recently been noted to take a diplomatic stance directed at resolving its crisis by improving its relations with the United States and Japan, has felt uneasy about being unable to receive as much aid as it had hoped for. There is a strong possibility that, while maintaining this diplomatic stance, the DPRK has requested the PRC's aid by taking advantage of the latter's speculation and consequently lured the United States and the PRC into a "competition over aiding the DPRK."

DPRK: U.S., Asia Papers on 'Miserable Life' of Defectors in ROK

SK1807080196 Pyongyang KCNA in English 0740 GMT 18 Jul 96

[FBIS Transcribed Text] Pyongyang, July 18 (KCNA) — North Koreans who defected to the southern half of Korea are living the most miserable life in the world.

Foreign publications continue exposing their living conditions.

Some time ago, THE WASHINGTON POST reported about their living conditions in South Korean society where the struggle for existence holds sway. Pakistani and Indian papers recently gave detailed reports of the North Korean defectors' miserable life in the South.

The Pakistani paper PAKISTAN TIMES July 10 in an article about the lot of the North Korean defectors in Seoul said that the North Koreans who defected to the southern half of Korea with the dream of "freedom" and "personal comfort" are disillusioned about the society and want to get out of it.

The defectors expected that they would be given a huge amount of prize and a luxurious dwelling house in South Korea, but they have been given jobs at construction sites and other places needing backbreaking labour, and a few pennies not enough to buy a house, the paper said, adding that South Koreans turn their back on those who abandoned their happy life in the northern half of Korea.

The Indian paper HINDU July 7 carried an article about those hunting for misfortune.

The North Koreans who defected to the South, dreaming a dream of "freedom" and "wealth and rank", are suffering only maltreatment, non-rights and poverty, the paper said, and continued:

Nearly all of them are those who committed crimes and defected to the South for fear of punishment.

The defectors are forsaken by the South Korean authorities and the public, too.

The South Korean authorities use them only for their anti-DPRK propaganda and the collection of information for the intelligence service.

After this purpose is attained the defectors belong to the lowest stratum of South Korean society. Most of them wander about, looking for construction sites and other humble jobs.

South Korean society cannot be a paradise for the defectors.

The paper quoted O Son-suk, chairman of the "Society of North Korean Defectors to the South", as saying that many of the defectors hope to return to the northern half of Korea but cannot realise their desire.

As the Pakistani and Indian papers said, the defectors to the South are living a miserable life.

South Korean society is not a world of "freedom" and "personal pleasure" desired by the defectors to the South, but a veritable hell where elementary freedom and human rights, including the right to existence, are ruthlessly violated.

DPRK Daily Decries 'Premeditated' U.S.-ROK 'Landing Exercises'

SK1807072796 Pyongyang KCNA in English 0719 GMT 18 Jul 96

["Prearranged Military Adventure Against North" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, July 18 (KCNA) — The Kim Yong-sam group recently staged "joint landing exercises" and "joint anti-submarine exercises" together with the U.S. imperialists. They also let "Noe-chong Unit" of the puppet ground force stage "exercises for increasing ability of commanding officers and staff officers of division and army corps" for a week.

MINJU CHOSON today, commenting on this, says that the continued attack operation exercises staged by the South Korean puppets in league with outside forces are a deliberate, premeditated criminal act of further aggravating inter-Korean confrontation and leading the situation to a dangerous phase of war.

The analyst further says:

The reckless war gamble of the puppets confirms that their war preparations against the northern half of Korea have already been rounded off.

The Kim Yong-sam group, who are clean indifferent to the destinies of the country and the nation and seek only confrontation and war for their personal comfort and greed for power, are a herd of thrice-cursed traitors and vicious warmaniacs.

They are trying to find a way out in provoking a new war on the Korean peninsula. But, they will get only corpses and death from it.

They would be well-advised to look squarely at the situation and act with discretion.

DPRK: NODONG SINMUN Criticizes ROK Arrest of Youth Leader

SK1807035896 Pyongyang KCNA in English
0324 GMT 18 Jul 96

["Fascist Suppression by Anti-Reunification Element" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, July 18 (KCNA) — The Kim Yong-sam group recently arrested the vice-chairman of the Council of Democratic Youth Organisations in South Korea by invoking the "National Security Law" for the mere reason that he met public figures from the northern half of Korea abroad to discuss a series of matters, including the August 15 pan-national rally for this year, and worked out an agreement on the reunification by means of founding a Democratic Confederal Republic of Koryo and on the U.S. troop pullout from South Korea.

NODONG SINMUN today, commenting on this, says that this is one more fascist suppression that can be committed only by such traitors and anti-reunification elements as the Kim Yong-sam group.

The analyst goes on:

The act of the vice-chairman of the council of democratic youth organisations is good for the national reconciliation and reunification for which all the fellow countrymen long. So, it cannot be a crime in any case.

By suppressing and strangling the ever-mounting desires of the South Korean pro-reunification democratic forces for alliance with communism and the northern half of Korea and for reunification at the point of the bayonet and by intensifying the anti-DPRK confrontation and war preparations the Kim Yong-sam group are trying to emerge from the crisis. This, however, is an illusion, which will only precipitate their destruction.

The Korean nation that can no longer live without national reconciliation, unity and reunification will never pardon the Kim Yong-sam group, who are hell-bent on intensified anti-reunification, anti-DPRK campaign, but throw them into a dustbin of history.

DPRK: NODONG SINMUN Denounces Mindan's Suffrage Movement

SK1707084596 Pyongyang KCNA in English
0804 GMT 17 Jul 96

[FBIS Transcribed Text] Pyongyang, July 17 (KCNA) — The socalled "suffrage" movement launched by evil elements of the South Korean Residents Association in Japan (Mindan) is not intended to win rights of Koreans in Japan but to execute the plot of the Kim Yong-sam group against the Democratic People's Republic of Korea and the General Association of Korean Residents in Japan (Chongnyon) and the assimilation policy of the Japanese reactionaries toward the Korean nationals in Japan, says NODONG SINMUN in a signed article today.

Referring to the reactionary nature of the slogan raised by the advocates of "suffrage", the article says:

It is, in essence, a criminal slogan to stifle the nation, wreck national unity and oppose reunification.

The "suffrage" movement is an unpardonable treacherous crime aimed at depriving the Japan-resident Koreans of their national rights on the plea of "rights" and assimilating them to the Japanese and naturalizing them.

If the Japan-resident Koreans disconnected themselves with their organisation and engaged themselves in Japanese politics as the advocates of "suffrage" claim, they would be compelled to solve problems of their rights and livelihood only under the Japanese government. Then, they would be converted into a "minority race" of Japan.

The "suffrage" movement will eventually divide the community of Korean Residents in Japan.

If they engage themselves in the Japanese politics allegedly to win "rights" and "suffrage", they must render their "support" to any political party or faction of Japan and cast ballots for a Japanese candidate. Then, different views would be voiced among the Koreans in Japan, hot words would be exchanged among them and finally they would disunite and fight each other.

In the final analysis, it is certain that they would be forced to serve political forces of Japan for their interests.

There is no need to say what serious consequences it would bring to the unity of the nation and the reunification of the country.

The "suffrage" campaign is directly linked with the anti-DPRK, anti-Chongnyon moves of the traitorous Kim Yong-sam group.

Chongnyon and the Korean Residents in Japan will certainly check and frustrate the "suffrage" movement of the traitorous Kim Yong-sam group and evil reactionary elements of Mindan through a concerted and organised struggle, the article stresses.

DPRK: ROK Defector Kim Yang-ki Interviewed 18 Jul

SK1807102796 Pyongyang KCNA in English
0950 GMT 18 Jul 96

[FBIS Transcribed Text] Pyongyang, July 18 (KCNA) — South Korean defector Kim Yang-ki, 58, called a press conference at the Pyongyang Koryo Hotel on July 18.

Hailing from Posong County, South Cholla Province, South Korea, he graduated from Konkuk University and engaged in political, public and business activities in South Korea.

He told reporters that he defected to the northern half of the country because he could not live under the same roof with the group of traitors in South Korea including Kim Yong-sam.

He further said:

"All South Korean people hate the Kim Yong-sam group. Particularly, I hate the pro-Japanese, pro-American traitors more implacably than others do because my family has a grudge against the group."

"The most dreamful and joyful period of my life was the days when the People's Army liberated South Korea during the fatherland liberation war," he said, adding:

"The People's Army soldiers mercilessly fought against the aggressors and treated people with virtues. Witnessing this, we came to know the politics of General Kim Il-song and the North."

Pointing out that after the ceasefire he took part in the April 19 resistance and in the work of organising the "progressive party" and "social popular party", unable to overlook the realities of South Korea in which traitors are the masters and the patriots are targets of punishment, he said:

"Agents of the Central Intelligence Agency put me on the 'blacklist of leftist elements' and took me away to its torture room on Mt. Nam on charges of involvement in a case which was faked up by them.

"All the successive rulers of South Korea are traitors and anti- communist, anti-North fanatics backed by outside forces. Especially, Kim Yong-sam under the 'civilian' veil is a traitor and anti-North fanatic more vicious than any other dictator.

"Many South Koreans hung the picture 'Tiger on Mt. Paektu' at their families. This shows how ardently they long for the North and how implacably they hate the traitor Kim Yong-sam.

"An increasing number of privileged persons of South Korea are busy with preparations for their exile in case of emergency. This is an instance showing how fearful they are of the respected General Kim Chong-il."

He cited materials to expose that the "general election" held in South Korea in April was an unprecedentedly fraudulent one.

Turning to what he felt while staying in the North, the defector said:

"I was deeply impressed by the fact that the great leader President Kim Il-song and the respected General Kim Chong-il warmly look after children."

The defector declared that he would uphold General Kim Chong-il, the destiny of the nation, with a loyal heart and devote himself to the cause of national reunification.

DPRK: Japanese Media 'Smear Campaign' Alleged

SK1707103096 Pyongyang KCNA in English
0910 GMT 17 Jul 96

[FBIS Transcribed Text] Pyongyang, July 17 (KCNA) — Some media of Japan are these days conducting a smear campaign against the DPRK and the General Association of Korean Residents in Japan (Chongnyon).

The SANKEI SHIMBUN and the Institute of Modern Korea take the lead in this campaign.

In the fixed column of "North Korea" the SANKEI SHIMBUN carries articles about "export of sarin" and "crisis" every day. The Institute of Modern Korea sells "information" it got from South Korea's "Agency for National Security Planning" (ANSP) to mass media, describing it as based on sources from Washington and Seoul.

Lurking behind the smear campaign is a sinister intention to impair the high international prestige of the DPRK and undermine Chongnyon by separating it from the DPRK.

Their false propaganda deserves no argument because it is as good as kicking against pricks.

However, we cannot remain silent about the reactionary media's vicious attempt to impair the prestige of the DPRK and separate Chongnyon, our dignified overseas organisation, from the DPRK.

Our socialism is centred on the masses. Chongnyon is an influential organisation of united overseas citizens of the DPRK.

The Korean people are consolidating the socialist system, united close around the party and the leader. Chongnyon is displaying its dignity and honor as an overseas citizens' organisation of the DPRK.

Upset by the powerful singlehearted unity of the Korean people and the solidity of Chongnyon, the South Korean puppets are trying hard to undermine them.

The "ANSP" summoned anti-Chongnyon elements in Japan to "Chongwadae" in October last year, called them to account for their failure to behave as intended by South Korea and ordered them to separate Chongnyon from the influence of the DPRK. The "ANSP" dispatched its agents to Japan in May this year to concoct anti- Chongnyon intrigues at meetings of the South Korean Residents' Association in Japan. They even manipulate their agents to spread a false rumour about "remittance of money to the DPRK" from the Osaka Credit Association of the Korea Bank in Japan.

The false propaganda of the SANKEI SHIMBUN and other media of Japan brings into bolder relief their immorality and shamelessness.

Their false propaganda is so similar to the argument of the "ANSP" that press circles around the world brand them as political servants and pseudo-journalists bribed by the "ANSP."

It is a disgrace for Japanese media to play a key role in the anti-DPRK, anti-Chongnyon smear campaign of the Kim Yong-sam group, a colonial puppet.

The media of Japan must ponder over what their smear campaign will bring about.

The Korean people will never pardon anyone who slanders their socialist system and violates their sovereignty and dignity.

The paid media and journalists of Japan must know this clearly.

Curses like chickens come home to roost.

The Korean people are sharply watching their acts.

The South Korean puppets and the Japanese reactionaries must act with discretion, mindful that they will get nothing but criticism from their anti-DPRK, anti-Chongnyon campaign.

DPRK: Kim Chong-il Receives Message from PRC State Councillor

SK1807041396 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 13 Jul 96

[FBIS Translated Text] Comrade Kim Chong-il, the great leader [widaehan yongdoja] of our party and our people, received a thank-you message from Luo Gan, head of the PRC friendship delegation who is state councillor and secretary general of the State Council of the PRC, prior to his departure after visiting the DPRK to participate in celebrations of the 35th anniversary of the signing of the DPRK-PRC Treaty of Friendship, Cooperation, and Mutual Assistance.

The thank-you message is as follows:

Respected Comrade Kim Chong-il:

The PRC friendship delegation received a splendid and passionate welcome and sincere and close hospitality from your government and people amid your warm attention during our stay in your country.

We are very glad that satisfactory results were achieved during this visit. Through this visit, we felt the DPRK people's deep friendship toward the PRC people and directly witnessed great accomplishments made by the DPRK people through scores of years of socialist construction.

Upon leaving your great and beautiful country, I would like to express sincere gratitude to you, the DPRK Government, and people, and sincerely hope that the DPRK people will consistently make new accomplishments in the work for socialist construction and independent and peaceful reunification of the country under the articulate leadership of the Workers Party of Korea headed by you.

I pray that the great PRC-DPRK friendship will shine eternally through the generations.

[Signed] Luo Gan, head of the PRC friendship delegation

[Dated] 13 July 1996

DPRK: PRC Vice Admiral, Commanders Visit Revolutionary Museum

SK1807104296 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 13 Jul 96

[FBIS Translated Text] The commanding officers of the formation of Navy vessels of the Chinese People's Liberation Army [CPLA], headed by Vice Admiral Wang Jiying, commander of the North China Sea Fleet which is on a goodwill visit to our country, visited the Revolutionary Museum of the People's Armed Forces Ministry on 13 July.

The guests looked around the historic relics and material with keen interest, listening to the explanation that noted the immortal revolutionary feats of the great leader [suryong] Comrade Kim Il- song and the great leader [yongdoja] Comrade Kim Chong-il who set forth the chuche military ideology and the measures for military construction; who set examples in building the revolutionary armed forces of the working class; and who strengthened and developed the Korean People's Army [KPA] into an invincible army equipped with all kinds of potent weapons for offense and defense.

The guests expressed deep impression over the KPA soldiers' boundless loyalty and fervent sense of admiration for the great leader [suryong] and the comrade Supreme Commander Kim Chong-il.

Commander Wang Jiying left the following note in a record book of appreciation: The heroic KPA is a people's army with a proud tradition of having been founded and led by President Kim Il-song. We hope the KPA will achieve new and greater accomplishments in the work of strengthening the military forces under the leadership of the comrade Supreme Commander Kim Chong-il, and will continuously accomplish great feats in building and defending socialism.

He stated that the KPA had made brilliant military gains during the war under the leadership of President Kim Il-song, who always thought highly about building the army even after the war, and who set forth the programmatic tasks for enhancing the armed forces by visiting units of the Army, the Navy, and the Air Force of the KPA, and by paying them back with great love and consideration. Thus, he said, the KPA soldiers admired and followed him ardently, adding: The comrade Supreme Commander Kim Chong-il also has a keen interest and consideration in building the people's forces; he gives on-the- spot guidance to the KPA units. The KPA will garner greater achievements in the future because it receives the wise leadership of the comrade supreme commander.

He stressed: We earnestly hope you will achieve great accomplishments in building the military forces under the leadership of the comrade supreme commander.

He stated that all things displayed in the Revolutionary Museum of the People's Armed Forces Military are treasures of the country, noting that this revolutionary museum plays an important role in educating the growing new generations.

DPRK: PRC Vice Admiral, Commanders Visit KPA Unit

SK1807041496 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 14 Jul 96

[FBIS Translated Text] The commanding officers of the formation of Navy vessels of the Chinese People's Liberation Army [CPLA] headed by Vice Admiral Wang Jiying, commander of the North China Sea Fleet, visited on 14 July the Korean People's Army [KPA] unit to which Comrade (U Ha-yong) belongs.

Fluttering in the unit were the letters welcoming the formation of the Navy vessels of the CPLA and the slogans written "Hurrah! The traditional friendship and solidarity of the people and the armies between the DPRK and the PRC."

When the guests arrived at the unit, the soldiers gave the friendly delegation a hearty welcome with applause. The commanders of the unit greeted them warmly. The unit's female soldiers presented wreaths to the guests.

Kim Yun-sim, lieutenant general of the KPA, and Qiao Zonghuai, PRC ambassador to our country, accompanied the commanding officers of the formation.

Listening to the explanation noting that the proud paths have been followed by the units under the wise leadership of the great leader [suryong] Comrade Kim Il-song and the respected and beloved Comrade Supreme Commander Kim Chong-il, the guests inspected the combat exercises of soldiers of a one-match-for-100 and technological combat equipment.

The guests expressed their deep impression over this unit's preparedness to defeat any enemy's invasion at one blow.

After the visit, Commander Wang Jiying said that the unit was really great and wished that its soldiers would achieve bigger achievements in the works of military exercises and defense of the fatherland by upholding the leadership of the respected and beloved Comrade Kim Chong-il.

The military band of the formation of Navy vessels of the CPLA gave a performance at the unit on 14 July.

DPRK: PRC Vice Admiral, Commanders Visit Sohae Lock Gate

SK1807025296 Pyongyang Korean Central Broadcasting Network in Korean
1300 GMT 14 Jul 96

[FBIS Translated Text] The commanding officers of the formation of Navy vessels of the Chinese People's Liberation Army headed by Vice Admiral Wang Jiying, commander of the North China Sea Fleet, inspected the Sohae lock gate today.

Standing at the observatory, the guests listened to the explanation noting that the lock gate, which is vigorously raised as a grand monumental creature on the 20-ri of water, is greatly contributing to the country's economy, then they overlooked its dock, dam, and grand artificial reservoir.

After the inspection, Commander Wang Jiying left the following note in a record book of appreciation: The Sohae lock gate is clearly displaying the wisdom and the might of the Korean nation as a colossal edifice. I hope that the Korean people will achieve greater accomplishments in building socialism under the leadership of the comrade supreme commander of the Korean People's Army.

DPRK: WPK Delegation Heads to Latin America; PRC Group Arrives

SK1707112396 Pyongyang KCNA in English
1101 GMT 17 Jul 96

[FBIS Transcribed Text] Pyongyang, July 17 (KCNA) — A delegation of the Workers' Party of Korea [WPK] led by Yim Sun-pil, deputy director of a department of its Central Committee, left here today to visit Latin American countries.

A delegation of the scientech [as received] information and publications of the Ministry of Machinery Industries of China headed by its chief editor Chen Ruizao arrived here on Tuesday.

DPRK: WPK Holds Talks With Visiting Thai Party Delegation

SK1707112996 Pyongyang KCNA in English
1103 GMT 17 Jul 96

[FBIS Transcribed Text] Pyongyang, July 17 (KCNA) — A delegation of the Workers' Party of Korea [WPK] had talks with the visiting delegation of the Palang Dharma (Righteous Force) Party of Thailand in Pyongyang today.

At the talks the two sides discussed matters of common concern and the strengthening of friendly relations between the parties and peoples of the two countries.

Present at the talks on the WPK side were Hyon Chun-kuk, director of a department of the WPK Central Committee, and other officials concerned and on the opposite side were the members of the delegation of the Palang Dharma (Righteous Force) Party of Thailand led by its deputy leader Krasae Chanawongse [name as received].

DPRK: Article Marks 'Solidarity' With Cuban People

SK1807040496 Pyongyang KCNA in English
0313 GMT 18 Jul 96

["Invariable Support for Cuban People" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, July 18 (KCNA) — The month of solidarity with the Cuban people begins in Korea today.

NODONG SINMUN today carries a signed article in this connection.

This solidarity month will demonstrate the Korean people's invariable support to and solidarity with the just cause of the Cuban people and further strengthen the militant and comradely friendship and unity between the two peoples, the article says.

It goes on:

"The course covered by the Cuban people is a road full of pride and honor on which they have defended and advanced to victory socialism, chosen by themselves. And it is a course of arduous struggle in which they have defended national dignity and sovereignty, repulsing the outrageous maneuverings of the imperialists and reactionaries."

The Korea-Cuba friendship is precious friendship based on comradeship and intimacy between the great leader Comrade Kim Il- song and esteemed Comrade Fidel Castro Ruz, the paper stresses.

It states that the Korean people set store by this friendship and will invariably and fully support the just cause of the Cuban people, in the future, too.

DPRK: Asian Associations Urge Dissolution of 'UN Forces Command'

SK1807075896 Pyongyang KCNA in English 0734 GMT 18 Jul 96

[FBIS Transcribed Text] Pyongyang, July 18 (KCNA) — The Asian Regional Committee To Support Korean Reunification, the All India Indo-Korean Friendship Association and the Indian Committee for Supporting Korean Reunification issued a joint statement supporting the June 25 memorandum of the DPRK Foreign Ministry calling for the dissolution of the "United Nations Forces Command" in South Korea.

The "UN Forces Command" has only played the role of zealously backing the war preparations and arms buildup by the United States and the South Korean authorities, the statement said, and continued:

We consider that the South Korea-based "UN Forces Command", a bogus tool, must be dissolved at once and a new security mechanism established for a lasting peace in the Korean peninsula.

We urge that the United States disorganize the "UN Forces Command", the United Nations take its flag back from South Korea and the not many governments which still keep their flags in the "UN Forces Command" take such a step.

We call on all the democratic and peaceloving forces of India and in Asia and the rest of the world to pressurise the United States to dismantle the "UN Forces Command", which is, in actuality, the U.S. Forces command, and accept the DPRK's proposal for a new peace mechanism.

DPRK: Foreign Party Leaders on Korean Cause of Reunification

SK1807075396 Pyongyang KCNA in English 0727 GMT 18 Jul 96

[FBIS Transcribed Text] Pyongyang, July 18 (KCNA) — Foreign party leaders voiced support and solidarity for the Korean people's struggle for the country's reunification when they met ambassadors of the Democratic People's Republic of Korea to their countries.

The leader of the Labour Party of Guyana, Nanda Gopaul, said his party invariably supports the Workers' Party and people of Korea in their efforts for the peaceful reunification of the country.

The chairman of the African Independent Party of Senegal, Majhemouth Diop, said his party has been greatly inspired by the brilliant victory the Workers' Party and people of Korea have won in the accomplishment of the socialist cause, steadfastly maintaining the socialist principles, undaunted by the imperialists' moves.

"Our party will make every possible effort to support the Korean party and people in their struggle for national reunification," he declared.

Alberto Anyaya Gutierrez, member of the Coordination Commission of the National Political Commission of the Workers' Party of Mexico who is the leader of the party, voiced the belief that the Korean people will continue making splendid achievements in socialist construction under the wise guidance of the great leader Comrade Kim Chong-il, who is unfailingly loyal to Comrade Kim Il-song, the founder of socialist Korea.

"We express full support and solidarity for the Korean people's struggle for the country's reunification and the victory of the socialist cause," he said.

DPRK: WPK Delegation Meets With Pakistan Muslim League Group

SK1707113096 Pyongyang KCNA in English 1105 GMT 17 Jul 96

[Names as received]

[FBIS Transcribed Text] Pyongyang, July 17 (KCNA) — A delegation of the Workers' Party of Korea [WPK] held talks with the visiting delegation of the Pakistan Muslim League at the Mansudae Assembly Hall today.

At the talks the two sides informed each other of the activities of their parties and exchanged views on a series of matters of common concern.

Present at the talks on the WPK side were Hwang Chang-yop, secretary of the WPK Central Committee, and other officials concerned and on the opposite side were members of the delegation of the Pakistan Muslim League led by M. Iqbal Dar, member of the Central Executive Committee and joint secretary of the Central Committee of the League, and M. Ayaz Khan, charge d'affaires ad interim of the Pakistani Embassy in Pyongyang.

DPRK: Ukraine-DPRK Group Issues Bulletin on '2d Liberation Day'

SK1707082096 Pyongyang KCNA in English 0750 GMT 17 Jul 96

[FBIS Transcribed Text] Pyongyang, July 17 (KCNA) — The Ukraine-Democratic People's Republic of Korea Association issued a bulletin "Korean People's Second Liberation Day" on July 12, joining in the June 25-July 27 month of international solidarity with the Korean people.

The bulletin says July 27 this year is the 43rd anniversary of the Korean people's victory in the fatherland liberation war, the day of the second liberation of Korea.

It also says the Korean people wrought a lot of military miracles in the war of justice against the aggressors (June 25, 1950-July 27, 1953) under the wise guidance of the great leader Comrade Kim Il- song by displaying the revolutionary spirit, patriotism and bravery.

Their victory was possible under the wise leadership of Comrade Kim Il-song, an ever-victorious iron-willed brilliant commander and outstanding military strategist, it stresses.

It points out that the Korean people and army are steadfastly defending socialism, unaffected by worldwide upheavals, thanks to the extraordinary strategies and superb commanding art of the respected general Kim Chong-il, who is carrying forward the cause of President Kim Il-song in army building.

The bulletin wishes glory to the Korean People's Army on the occasion of the second liberation day.

DPRK: Officials Send Messages to Ugandan Counterparts

SK1707113396 Pyongyang KCNA in English 1106 GMT 17 Jul 96

[FBIS Transcribed Text] Pyongyang, July 17 (KCNA) — Kang Song- san, premier of the Administration Council, sent a message of greetings to Kintu Musoke, upon his reappointment as prime minister of Uganda.

The message wished him success in his responsible work for the prosperity and progress of the country.

Vice-premier and Foreign Minister Kim Yong-nam sent a message of greetings to Eriya Kategaya, upon his appointment as first vice-prime minister and foreign minister of Uganda.

DPRK: Article Views Kim Chong-il's Work on Music

SK1707084896 Pyongyang KCNA in English 0812 GMT 17 Jul 96

[FBIS Transcribed Text] Pyongyang, July 17 (KCNA) — NODONG SINMUN today carries an article contributed by Kim Tu-il, rector of Pyongyang University of Music and Dance, on the occasion of the fifth anniversary of the publication of the great leader Comrade Kim Chong-il's famous work "Theory on Musical Art" on July 17, 1991.

"Theory on Musical Art" is an encyclopedic work which gives comprehensive answers to all the theoretical and practical problems arising in the building and creation of the chuche-based music and a highly important guideline in building the chuche-based music, the author of the article says, and goes on:

The work is an immortal famous work which laid the fundamental cornerstone of the development of music of Korea through the original solution to the essence and characters of the chuche-based music. It indicates that the chuche-based music is a new-type musical art which reflects the requirement of a new era and the aspiration of the popular masses and fully serves for the people and thus, clarified for the first time in history the characters of the chuche-based music which is distinct from all the preceding musical art.

Proceeding from the nature of the chuche-based music, the work expounds the idea that chuche is the life and soul of our music. This paves the road of the development of our musical art. It also gives a scientific solution to the essence of the famous songs and opens a bright road to create songs of our style to suit the requirements of the era and the aspiration of the popular masses.

And the work gives a perfect and flawless solution to the idea of popularizing music and the theoretical and practical problems arising in the building and development of the chuche-based musical art including composition, playing and the training of reserve musicians. Indeed, it is a library of the chuche-based musical art, which is of encyclopedic significance.

For its truth, profundity and originality of the ideas and theories, the work has become an immortal banner which powerfully encourages the development of the musical art of the era of independence as the days go by.

The ideas and theories of the work are being brilliantly applied in the practice of our musical art under the wise leadership of the respected Comrade Kim Chong-il, fully displaying their validity and invincible vitality.

Our musical art first of all raises the creation of works representing the leader as the first task and is carrying it out with success.

One of the achievements made by our musical art since the publication of the work is the creation of many famous songs reflecting the steadfast faith and will of the Workers' Party and people of Korea to fully defend and glorify the socialism of our style under the leadership of the party.

Since the publication of the work a radical advance has been made in kinds and forms of music, a leaping development made in the level of representation of musical art and a decisive turn effected in training reserve musicians.

Indeed, the five years since the publication of the famous work "Theory on Musical Art" were proud days when a history of new turn opened in the development of our musical art.

DPRK: Russians Express 'Reverence' for Kim Chong-il

SK1807075596 Pyongyang KCNA in English 0731 GMT 18 Jul 96

[FBIS Transcribed Text] Pyongyang, July 18 (KCNA) — Russians of various social strata expressed deep reverence for the great leader Comrade Kim Chong-il after visiting DPRK book, photo and handicraft exhibitions held in various cities of Russia recently.

The First Secretary of the Central Committee of the Russian Communist Workers' Party, Viktor Tyulkin, said that seeing the exhibited photographs of the respected Comrade Kim Il-song, he felt deeper reverence for him.

"Our party considers works of the respected Comrade Kim Chong-il to be the guideline of its activities and the weapon of struggle," he said. "Under his leadership, the international communist movement will emerge victorious."

Valeriy Vasilyevich, member of parliament of the Bashukortostan Republic and first secretary of the Bashukortostan Republic Committee of the Russian Communist Workers' Party, said: "Today we regard Korea as th? beacon of hope."

"The Korean people will as ever dynamically advance along the road of socialism and communism under the guidance of Comrade Kim Chong-il, the outstanding leader and a great statesman," he added.

Viktor Anpilov, secretary of the Central Committee of the Russian Communist Workers' Party, stressed that Comrade Kim Chong-il, an outstanding thinker, theoretician and statesman and a prominent philosopher and military strategist, is a great man nobody can match.

Viktor Yakoblevich, deputy general director of the Gipromez Institute in Chelyabinsk and general director of the Golobal Company, said the 21st century will be the Kim Chong-il era.

DPRK: Kim Chong-il Receives Messages From Foreign Countries

SK1807040696 Pyongyang KCNA in English 0310 GMT 18 Jul 96

[FBIS Transcribed Text] Pyongyang, July 18 (KCNA) — The great leader Comrade Kim Chong-il received a solidarity message from Gnassingbe Eyadema, president of the Republic of Togo, in the month of international solidarity with the Korean people.

He also received messages from Gerald Perreira, general secretary of the National Movement for the Authentic Independence of Guyana; Peter Persaud, leader of the Amerindian Action Movement of Guyana; Sifla Kabanze, chairman of the Socialist Party of Zambia; Vasile Orleanu, chairman of the Romanian Socialist Party; Indrajit Gupta, general secretary of the National Council of the Communist Party of India; H. S. Surjeet, general secretary of the Central Committee of the Communist Party of India (Marxist); David Commissiong, general secretary of the National Democratic Party of Barbados; and Alberto Moreno, general secretary of the Central Committee of the Communist Party of Peru (Red Motherland).

The messages expressed support to the proposal put forward by the government of the Democratic People's Republic of Korea to establish a new peace mechanism to prevent military conflicts and avert the danger of war on the Korean peninsula.

DPRK: Kim Chong-il Receives Telegrams From Foreign Party Leaders

SK1807040896 Pyongyang KCNA in English 0307 GMT 18 Jul 96

[FBIS Transcribed Text] Pyongyang, July 18 (KCNA) — The great leader Comrade Kim Chong-il received telegrams from foreign party leaders on the second anniversary of the great leader President Kim Il-song. [as received]

They came from Boris Petkov, chairman of the Executive Council of the Central Committee of the Bulgarian Communist Party (Marxist); Vasile Orleanu, chairman of the Romanian Socialist Party; Gladys Marin, general secretary of the Central Committee of the Communist Party of Chile; Raul Campanella, general secretary of the Revolutionary Party of Workers of Uruguay; Miguel Mejia, secretary general of the United Left Movement of Dominica; Gustavo Mohme Ryona, national secretary general of the Socialist Political Action Party of Peru; and Eleazar Gutara Maravi, chairman of the Peruvian Nationalist Movement of Labour.

Noting that President Kim Il-song devoted his whole life to the freedom and happiness of the Korean people and the cause of global independence of humankind, the telegrams said the immortal exploits and experience of the president would be an eternal cornerstone that enables the world communists and revolutionaries to be ever-victorious.

DPRK: PRC Guests Visit Kim Il-song's Statue

SK1807035796 Pyongyang KCNA in English
0315 GMT 18 Jul 96

[FBIS Transcribed Text] Pyongyang, July 18 (KCNA) — The visiting delegation of the scientech information and publications [as received] of the Ministry of Machinery Industries of China led by its Chief Editor Chen Ruizao called at the statue of the Great Leader President Kim Il-song on Mansu Hill on July 16.

They laid flowers before his statue and paid homage to him.

The head of the delegation said that the Korean people have achieved great success in the revolution and construction under the leadership of President Kim Il-song, and wished the Korean people greater success in the realization of the socialist cause.

DPRK: Pakistani, Thai Delegations Pay Homage to Kim Il-song

SK1807041896 Pyongyang KCNA in English
0317 GMT 18 Jul 96

[FBIS Transcribed Text] Pyongyang, July 18 (KCNA) — A delegation of the Pakistan Muslim League led by M. Iqbal Dar, member of the Central Executive Committee and joint secretary of the Central Committee of the League, and a delegation of the Phalang Tham (Righteous Force) Party of Thailand led by its Deputy Leader Krasae Chanawong visited the Kumsusan Memorial Palace on July 17 to pay homage to the Great Leader President Kim Il-song, who is preserved in state.

M. Iqbal Dar wrote in the visitor's book that he hopes the Korean people will further develop the DPRK under the wise leadership of His Excellency the Great Kim Chong-il.

Krasae Chanawong said that His Excellency President Kim Il-song, the great leader, has received respect not only from the Korean people but also from the Thai people and the world people. "We pray for his immortality together with the world people," he added.

DPRK: Memorial Services Conducted Overseas for Kim Il-song

SK1807073496 Pyongyang KCNA in English
0723 GMT 18 Jul 96

[FBIS Transcribed Text] Pyongyang, July 18 (KCNA) — A joint memorial service was held in Lima, Peru, on the second death anniversary of the great leader President Kim Il-song.

Present there were Alberto Moreno, general secretary of the Central Committee of the Communist Party of Peru (Red Motherland), Angel Castro Lavarello, chairman of the National Executive Committee of the Left Revolutionary Union of Peru, who is also chairman of the National Preparatory Committee To Commemorate Comrade Kim Il-song of Peru and chairman of the Peru-Korea Institute of Culture and Friendship and other figures of political parties and organizations.

And memorial services were held by the Funcinpec Party of Cambodia, in Dodoma Region of Tanzania, by the Yemen-Korea Friendship Association, other friendship organizations in Nigeria, Austria, Switzerland and Mexico, by the National Committees to Commemorate Comrade Kim Il-song in Nepal and Bangladesh and groups for the study of the chuche idea in Mali and Burkina Faso.

Participants in the services laid floral baskets and bouquets in front of portraits of President Kim Il-song and paid respects to him.

Speakers said at the services that the whole life of President Kim Il-song was the life of a great thinker and theoretician and outstanding leader who brilliantly embodied the idea of believing in the people as in heaven and stressed that his immortal exploits for freedom and happiness of people would be handed down generation after generation.

DPRK: Yi Chong-ok, Hwang Chang-yop Unveil Kim Il-song Wax Figure

SK1807132496 Pyongyang KCNA in English
1256 GMT 18 Jul 96

[FBIS Transcribed Text] Pyongyang, July 18 (KCNA) — A wax figure of the great leader President Kim Il-song was placed in the International Friendship Exhibition at the foot of Mt. Myohyang.

The Chinese people made it with deepest reverence for the president and presented it to commemorate his second death anniversary.

The wax figure was placed against the background of Mt. Paektu, a holy mountain of revolution, white birch trees and blooming azalea on Lake Samji in an exclusive hall.

The wax figure looks as much like the tender-hearted president as he did in his lifetime.

It was unveiled with due ceremony on the spot on July 18.

Among those present were Yi Chong-ok, Politburo member of the Central Committee of the Workers' Party of Korea [WPK] and vice- president, and other senior party and state officials.

Chinese Ambassador to Korea Qiao Zonghuai and his embassy officials were on hand.

Secretary Hwang Chang-yop of the WPK Central Committee made an address.

He said that the ceremony of unveiling a wax figure of the president, representing the warm sincerity of the Chinese people, was taking place at a time when all the Korean people were praying for his immortality in humble reverence, looking back on his great life.

"We, true to the last teachings of Comrade Kim Il-song and the lofty intention of the respected Comrade Kim Chong-il, will work hard to develop the friendly and cooperative relations with the world people under the idea of independence, peace and friendship and constantly consolidate and develop the fraternal friendship and solidarity between the two parties, two countries and two peoples of Korea and China," he said.

A floral basket was laid before the wax figure of the president in the joint name of the WPK Central Committee, the WPK Central Military Commission, the National Defence Commission of the Democratic People's Republic of Korea, the DPRK Central People's Committee and the Administration Council.

DPRK: Hong Song-nam at Scientists', Technicians' Exhibition

*SK1807040096 Pyongyang KCNA in English
0320 GMT 18 Jul 96*

[FBIS Transcribed Text] Pyongyang, July 18 (KCNA) — An exhibition was opened here on Wednesday to mark the 20th anniversary of the start of the movement of the shock brigade of scientists and technicians.

On show at the exhibition hall are over 10,900 items of 3,600 technical innovations in the form of product, model board, picture and video tape. They show remarkable successes achieved in the movement of shock brigades of scientists and technicians in different fields of the national economy and in the struggle to carry out the revolutionary economic strategy of the party under the wise guidance of the great leader Comrade Kim Chong-il for the past 20 years.

Present at the opening ceremony were Choe Tae-pok, secretary of the Workers' Party of Korea [WPK] Central Committee, and Hong Song-nam, vice-premier of the Administration Council, who are alternate members of the Political Bureau of the WPK Central Committee.

Hong Song-nam made an address at the opening ceremony.

DPRK: Daily on Harmonious Unity of Leader, People

*SK1807091496 Pyongyang Korean Central Broadcasting Network in Korean
1111 GMT 15 Jul 96*

["Special Article" in the 15 July NODONG SINMUN: "Our Revolution, Which Is Advancing Through the Might of the Harmonious Unity of the Leader [yongdoja] and People, Is Invincible"]

[FBIS Translated Text] We have walked the 10 million-ri road of the revolution. The Korean revolution pioneered by the great leader [widaehan suryongnim] truly advanced far, and today we have risen to the high peak of socialism. However, the road we have to reach is still far away, and the road ahead of the revolution is ever arduous and difficult. On the revolutionary road, which must be taken to the end whether it rains or snows, our most lofty political and ideological asset is the harmonious unity of the leader [yongdoja] and people.

If only there is harmonious unity, where the leader [yongdoja] has faith in the people and the people have faith in and follow the leader [yongdoja], we can change an adverse situation into a favorable one; turn an adverse wind into a favorable wind; and vigorously fight toward the final victory in revolution overflowing with faith in victory and revolutionary optimism. This is a historic summation of the Korean revolution, and a lofty truth proven in our reality in which the whole party, the whole army, and all the people are advancing around the respected and beloved General Kim Chong-il [kyongaehanun kimjongil changgunnim] by being one in flesh and spirit.

Today, the leader [yongdoja] and people share the same intention and fate. This is the greatest fortune, which only our people who uphold the great leader [widaehan yongdoja] can enjoy. This is also a firm guarantee to complete to the end the chuche revolutionary cause by overcoming any kind of storm.

1. The harmonious unity of the leader [yongdoja] and people is a decisive guarantee for the revolution's victory.

The great leader [widaehan yongdoja] Comrade Kim Chong-il has pointed out: Faith, loyalty, and love and filial piety between the party and people, and between the leader [suryong] and fighters are sources of infinite strength pushing our revolution ahead.

Revolution is achieved when the harmonious unity of the leader [yongdoja] and people is accomplished, and it is advanced and victorious according to its might. On the revolutionary road, the leader [yongdoja] and people are one in ideology, intention, fate, and future.

A leader [yongdoja] is the supreme brain [choego noesu] of the popular masses. It is the leader [yongdoja] who puts forth the revolution's strategy and tactics by summing up the intentions and desires of the popular masses, and he also organizes and mobilizes the popular masses toward revolutionary struggle. The leader's [yongdoja] ideology is the people's intention, and the leader's [yongdoja] conviction is the struggle to realize the people's desires. Therefore, the people accepted the leader's [yongdoja] ideology as their ideology, and they are fighting by entrusting their fate to the leader [yongdoja].

Just like planets that circle around the sun are in one unchangeable orbit, it is natural for the people to unite around the leader [yongdoja]. It is a matter of course that there is a harmonious unity between the leader [yongdoja] and the people in a great revolution. When the leader [yongdoja] and people struggle by becoming one in all areas, including ideology and ideas, emotion and will, and practice and action, revolution will be victorious by overcoming any kind of storm.

The harmonious unity of the leader [yongdoja] and people is the symbol of invincible unity. Revolution is unity, and unity is revolution. History shows that if people unite in the revolutionary struggle they will be victorious, but if they are scattered, they will be defeated. Revolution begins with unity, and it is victorious by using unity as its weapon. A person carrying out the revolution, regardless of who he is, aims for unity and highly upholds the banner of unity.

The harmonious unity of the leader [yongdoja] and people is a solid unity, which is the highest level of unity and possessed with an infinite might unparalleled in history. There cannot be the slightest interval or alien elements in the harmonious unity in which the leader [yongdoja] and people are united through love, faith, loyalty, and filial piety.

With the thorough guarantee of the steadfastness of center; the uniformity and unity of ideology and action; and the loftiness of morality and fidelity, the harmonious unity of the leader [yongdoja] and people becomes the greatest cohesion and unity. There is nothing in this world that can match this cohesion and unity.

When there is cohesion and unity through the harmonious unity of the leader [yongdoja] and people, any strong enemy can be defeated and epoch-making miracles in revolution and construction can be created. This is a lofty truth proved by the practice of our revolution.

The Korean revolution was the most arduous and difficult struggle unparalleled in history. The road we had to plow through was an unexplored road fraught with difficulties every step of the way, and the enemy, as we regarded him, was the strong imperialists that always aimed to dominate the world.

We started from zero and had to solve everything on our own, without someone else's aid or help. In this arduous struggle, all we could trust was the might of the people, who were united around the party and the leader [suryong], and the harmonious unity of the leader [yongdoja] and the people.

The great leader [widaehan suryong] Comrade Kim Il-song elucidated a long time ago the chuche truth that if one trusts the people and inspires the people's strength, one can win the world. He started his revolutionary activities by going to the people. Seeing the greatness of the leader [suryong], who took the ideology of regarding the people as heavens as his motto and led the revolution, the Korean communists and people were confident about the victory of the revolution, and entrusted all their destinies to the leader [suryong], and fought vigorously.

The leader [yongdoja] and the fighters, and the leader [yongdoja] and the people shared one will and one destiny. The Korean revolution was brilliantly pioneered in this rewarding struggle. Our revolution made its way through the flames of the unprecedentedly arduous anti-Japanese revolution with the strength of the harmonious unity of the leader [yongdoja] and the people, and created great victory and miracles in building a new fatherland, in the arduous fatherland liberation war, in post-war reconstruction, and in building socialism.

The question of succeeding with the revolutionary cause was most brilliantly solved in our country. This was impossible without the harmonious unity of the leader [yongdoja] and the people. The harmonious unity of the leader [yongdoja] and the people was the basic factor that embellished the entire course of the Korean revolution with victory and glory, and unfolded a boundlessly bright future of the Korean revolution.

The harmonious unity of the leader [yongdoja] and the people is, above all, the source of the invincible strength that resolutely smashed the imperialists' maneuvers and firmly defended the Korean revolution. The revolution was accompanied by a fierce struggle against the imperialists. Since the imperialists and reactionaries used every means to eradicate the revolution, the revolutionary cause could not have advanced a single step without smashing the enemies' maneuvers.

The struggle to defend the revolution in the struggle against the imperialists is the struggle to defend the leader [yongdoja]. There is no revolution without a leader [yongdoja]; there is no victory of the revolution without a struggle to defend the leader [yongdoja].

The enemies always aim at the nerve center of the revolution, and viciously maneuver to defame the authority of the leader [yongdoja]. Revolutionaries who shared one will and life or death with the leader [yongdoja] have regarded their utmost mission as defending the leader [yongdoja] with their lives in their struggles. In the revolutionary struggle, the leader [yongdoja] and the fighters, and the leader [yongdoja] and the people are connected with one destiny. The leader [yongdoja] takes full responsibility for the people's destiny and leads them, and the people entrust their destiny to the leader [yongdoja] and defend the leader [yongdoja]. When the leader [yongdoja] and the people fight as an organism of common fate, they can firmly defend the revolution no matter what maneuvers the imperialists and the enemies of the revolution take.

The Korean revolution is the most glorious revolution, whose nerve center has been firmly defended and safeguarded from its pioneering days until today. The imperialists came forward from all directions, and the internal class enemies and factionalists viciously committed their maneuvers. Under such a difficult situation, the never center of the Korean revolution has been defended. This is unprecedented in history.

The heroic epic was created by the loyal Korean communists and people who shared their destiny of life and death only with the leader [yongdoja]. It was the indomitable revolutionary spirit of our revolutionary ranks to want to live valuably as the fighters of the great leader [widaehan suryong] Comrade Kim Il-song, to die in battle defending the leader [suryong], and to be buried on Mt. Paektu. This was the spirit of the 7th Brigade, whose members defended the command of the revolution with their lives, and the spirit of many heroic fighters, including Yi Su-pok, who blocked the enemy's firing gun barrel with his burning heart.

During the days of arduous trials, the old woman of Posong and other loyal people absolutely supported the great leader [widaehan suryongnim] and fought in the battle to defend the party and the revolution.

With the strength of the harmonious unity of the leader [yongdoja] and the people, we defeated two strong imperialist enemies and smashed the maneuvers of antiparty and antirevolutionary elements that foolishly challenged the party.

Our revolution's actual experience in resolutely defending our leader [yongdoja] shows that no one can defeat a people who have the death-defying determination to share the destiny of life and death with the leader [yongdoja].

The future Korean revolution cannot be different.

As long as the leader [yongdoja] and the people become a harmonious whole, we can firmly defend the nerve center of the revolution headed by the respected and beloved General Kim Chong-il [kyongaehanun kimjongil changgunnim] in any adversity, and can achieve final victory.

The harmonious unity of the leader [yongdoja] and the people was also the key to overcoming piles of difficulties and effecting ceaseless upsurges in our revolution and construction. Difficulties and trials lay ahead on the road of revolution. Without difficulties, there is no revolution. In the revolutionary struggle, difficulties are not the issue. How to overcome the difficulties and achieve victory is the important question. Revolution and construction is essentially a struggle to implement the leader's [yongdoja] ideology and intention.

The leader [yongdoja] presents the line and policy for the victory of the revolution, and the people wage the struggle to implement the leader's [yongdoja] idea and intention. This is how the revolution overcomes difficulties and advances victoriously. When the leader [yongdoja] and the people share one will and join their strengths, anything can be done, and they will occupy all fortresses in socialist construction.

Our revolution faced arduous adversity on its way more than once or twice. Every time, the leader [yongdoja] trusted the people, and the people trusted the leader [yongdoja]. They overcame difficulties through vigorous struggles and opened a new way for the revolution.

Our people trusted the party and the leader [suryong], girded their loins, and effected great upsurges in socialist construction, vigorously showing off the spirit of a heroic people. The history of our socialist construction tells us that the people who share the destiny with their leader [yongdoja] even in bad times will display greater spirit of revolution. Only cowards scared by difficulties would step back and give up. The people who have become a harmonious whole with their leader [yongdoja] would lift the banner of revolution higher, fight difficulties, and lead the revolution to great upsurges.

In the struggle to overcome trials, the faith of the Korean communists and people, who strengthened themselves while undergoing all sorts of hardships with the leader [yongdoja], has grown stronger. In fact, without the harmonious unity of the leader [yongdoja] and the people, we would have been defeated by difficulties and would not have built such a strong socialist country as today's society of independence, self-reliance, and self-defense.

Today, the struggle to implement the party's revolutionary economic strategy and display the superiority of the socialism of our own style is accompanied by difficulties. We can now effect revolutionary upsurges in socialist construction and make our country and fatherland more prosperous thanks to the harmonious unity of the leader [yongdoja] and the people.

The harmonious unity of the leader [yongdoja] and the people is the elixir that makes our chuche-type revolutionaries enjoy the most valuable and rewarding life, and live and fight with overflowing revolutionary romance. Revolutionaries who eat raw noodles and walk along the bloody road of revolution have unique pleasures and a valuable reward in life that is not known to the bourgeoisie and Philistines who pursue personal pleasure.

The pleasure is from becoming a harmonious whole with the leader [yongdoja] and sharing life and death, and joy and sorrow with the leader [yongdoja]. They wholeheartedly uphold the leader [yongdoja] as their father and live and fight together as real blood brothers. Such a life gives the revolutionaries the strength and will to fight, as well as happiness and joy. Human beauty reaches its peak when people trust, care for, and love each other. Everyone feels the spiritual content and joy of life that moves their hearts.

As long as there are ranks that have become such a harmonious whole, high mountains and deep valleys cannot stop them: they are without fatigue. Living and fighting as a harmonious whole with the leader [yongdoja] is the true goal of the revolutionaries, the reward for their struggle, and their lofty view of life.

The chuche-type revolutionaries and people have enjoyed the most valuable and rewarding life as human beings and revolutionaries struggling on the road as a harmonious whole with their the leader [yongdoja]. The chuche-type revolutionaries waged their struggle while upholding the great leader [widaehan suryong] as their father. Their life was the pinnacle of the most beautiful and lofty human life. They shared their destiny with their leader [yongdoja], unhesitatingly blocked the enemy's evil attempt with their bodies for the sake of the leader [yongdoja], and died for their comrades on a guillotine with a smile. The Korean revolutionaries experienced boundless happiness and joy in such a struggle and life.

The Korean revolution in which the leader [yongdoja] and people fought through wholehearted unity allowed the people to live optimistically overflowing with joy, romance, and hope and to enjoy a worthwhile life of song and laughter. Our revolutionary practice can create the highest worthwhile life for anyone who shares the fate with the leader [yongdoja] and shows that the revolution can be carried out to the end whether it takes 10 years or 100 years, by overcoming any difficulties.

Today in our country, all the people have achieved wholehearted unity with the great leader General Kim Chong-il [widaehan yongdoja kimjongil changgunnim] and are living with everyone becoming brothers. Blood and flesh is sacrificed unsparingly if it is to save a revolutionary comrade; lives are devoted to being with disabled veterans; and difficulties are overcome together by all the more helping and loving each other under difficult situations. This is our people's lofty worthwhile life of upholding the general [changgunnim] as the father [oboi].

This kind of worthwhile life is a highly proud life overflowing with happiness which cannot by any means be imagined by people who have an individualistic view of life. When our life blooms all the more in sharing our fate with the great leader [widaehan yongdoja], we can enjoy a more rewarding and worthwhile life and vigorously advance our revolution to overflowing with faith and optimism.

The wholehearted unity of the great leader [widaehan yongdoja] and people is achieved amid the struggle of plowing through all kinds of storms in history and is the most mighty unified body in which the invincible vitality is wholly manifested along with the advance of our revolution.

2. Completing the Korean revolution to the end through the might of the wholehearted unity of the leader [yongdoja] and people by overcoming any kinds of difficulties is the firm will of our party and people. [subhead]

The great leader [widaehan yongdoja] Comrade Kim Chong-il has pointed out: As we have advanced by overcoming difficulties through the might of the single-hearted unity of the party and people, we must continue to open the road of victory and glory through the might of single-hearted unity in the future.

In our country today, the wholehearted unity by the great leader [widaehan yongdoja] Comrade Kim Chong-il and our people is being all the more consolidated. The wholehearted unity of the respected and beloved general [kyongaehanun changgunnim] and our people is a unified body of ideological will and a community bound together by a common fate in which they share ideology, will and fate. This is the father-child relationship exchanging the most precious lofty life and blood-tied relations between a great teacher and a sincere pupil.

The wholehearted unity of the great leader [widaehan yongdoja] and our people is becoming all the more consolidated with each passing day. This is because the leader [yongdoja] is great and the people's mind of following the leader [yongdoja] is endlessly blazing. The respected and beloved General Kim Chong-il [kyongaehanun kimjongil changgunnim] is possessed with endless loyalty and infinite devotion toward the revolutionary cause; is wisely leading our party and people in the forefront; and is continuously carrying forward the road of on-the-spot guidance even today.

Recently, the respected and beloved general [kyongaehanun changgunnim] inspected the Kumgangsan Power Plant and then gave on- the-spot guidance of a unit of the Korean People's Army. Whether it is on a rainy day or a cold and windy winter day, the general's [changgunnim] on-the-spot guidance in which he is carving sacred traces throughout the fatherland is encouraging our people toward new faith, fighting spirit, and feats.

Whenever we look up to the general [changgunnim] who is working energetically without a minute's rest for the people's happiness and for the prosperity and development of my country and my fatherland, our hearts all overflow with endless feelings of faith for the general [changgunnim].

Our people always exist in the mind of the respected and beloved general [kyongaehanun changgunnim] and the general [changgunnim] always exists in the minds of our people. The wholehearted unity of the leader [yongdoja] and people which is united through ideological will and morality and integrity is a proud appearance of our society and the source of our invincible strength. The reason we are smashing the challenge of the imperialists and firmly adhering to socialism lies in the fact that wholehearted unity of the leader [yongdoja] and people exists, and that we are living and fighting unyieldingly with overflowing faith and revolutionary optimism in the future by overcoming all difficulties.

To us there is no work as important and sacred as all the more consolidating the wholehearted unity of the great leader [widaehan yongdoja] and people.

"Let us overcome any kind of difficulties and complete the Korean revolution to the end through the might of the wholehearted unity of the leader [yongdoja] and people!" This is an eternal slogan of faith which we must always highly uphold and advance, and a banner of struggle and victory.

Firmly deepening the harmonious unity of the great leader [yongdoja] and the people is precisely an infinitely sacred struggle to carry out the revolution to the end with the absolute faith in the leader [yongdoja]. The blood ties between the leader [yongdoja] and the people are synonymous with the relationship of trust.

When the leader [yongdoja] puts his trust in the people and the people put their trust in him, the most solid blood ties are formed between them. The invincibility of the harmonious unity between the respected and beloved General Kim Chong-il and our people lies in the fact that the unity is based thoroughly on trust. The respected and beloved general is leading the revolution, trusting our people, and our people are carrying out the revolution and construction, trusting the general only.

Our people whom the respected and beloved general trusts are the most revolutionary and wise people who are infinitely loyal to the party and their leader [suryong] and who can do anything once they are determined to do. The respected and beloved general in whom our people have an absolute trust is an ever-victorious and iron-willed commander, a great statesman, and the benevolent father of our people.

Because the leader [yongdoja] is great and the people are loyal to him, the relationship of trust between the leader [yongdoja] and the people has become quite noble. The respected and beloved general's trust in our people is absolute.

The imperialists have trust in money and nuclear weapons; but what we can have trust is only the popular masses. Therefore, we should carry out the revolution, only trusting the people. This is precisely the great general's firm and invariable faith.

People in the world bow their heads before the general's firm faith that our people are the best people and that we are always victorious because such people exist.

It is a demonstration of his firm and invariable will to carry out the revolution to the end trusting our people that the general personally visited frontline units to meet the officers and men of the People's Army at the risk of his life.

Once we cherish the general's philosophy of trust in our hearts, all of us get enchanted by the general's human character and thus make a firm, do-or-die determination to carry out the revolution even though we traverse the long road of the revolution, following him.

Trust begets loyalists. Our revolutionary fighters of today are the revolutionaries who are fighting, taking the great General Kim Chong-il's trust as life-giving water. For us, there is nothing more noble than the trust of the respected and beloved general. Our party members and the working people feel infinite happiness and the greatest fulfillment as if we receive the whole universe because the general trust them.

The infinite respect and trust toward the great general who gives the trust that cannot be replaced by anything in this world and the firm self-awareness that only when one upholds and follows the general from the bottom of one's heart, one's destiny and future can exist! This is precisely our revolutionary fighters' noble ideological feelings.

There should not be the slightest degree of [word indistinct] in our faith to have faith in and follow only the respected and beloved general. There is only one man, the general, in the minds of the Korean revolutionaries. The Korean revolutionaries cherish a firm faith that they can find the value of their life in the road of having faith in and following only the general under all circumstances. Herein lies their dignity and honor.

When our revolutionary fighters fight with such a firm and indomitable faith, their dignity in upholding the great general will be demonstrated highly, and our revolution will advance along the single road of victory, while surmounting all sorts of difficulties.

More firmly deepening the harmonious unity between the great leader [yongdoja] and the people is also a noble work to think and act according to the ideology and will of the leader [yongdoja]. The harmonious unity between the leader [yongdoja] and the people is the perfect harmony of ideology and deed. If the leader [yongdoja] and the people are united for the sake of their interests or for the sake of their businesses, we cannot say such unity is harmonious. Breathing according to the leader's [yongdoja] ideology and walking according to the leader's will beget precisely the solidness of harmonious unity.

The harmonious unity between the respected and beloved General Kim Chong-il and our people is being more firmly deepened with each passing day. This is because the general's great ideology and theory are fervently pulsating in the hearts of the people.

The ideology and theory of the respected and beloved general are the guiding principle of our people's struggle and life and their eternal water of life. The great general's ideology and theory are precisely our people's will.

Respected and beloved Comrade Kim Chong-il is presenting lines and policies based on his scientific analysis of the demands of the Korean revolution and the aspirations of our people with his farsighted wisdom and extraordinary insight.

Classical works including "The Workers Party of Korea Is a Party of the Great Leader Comrade Kim Il-song," and "Respecting the Revolutionary Seniors Is a Lofty Morality and Integrity of the Revolutionaries," which was published by the great general [widaehan changgunnim] during the past several years, are resolutely adhering to the hearts of our people and encouraging and promoting them toward new struggle and feats. This is because the people's intention and demand are included in his classical works.

Therefore, our people deeply feel that the respected and beloved general [kyongaehanun changgunnim] is the highest representative of the people's intention and desire, and a great leader [widaehan yongdoja] blossoming the people's status into reality. Our revolutionary fighters are absolute believers of the respected and beloved general's [kyongaehanun changgunnim] ideology and theory. If the great leader [widaehan changgunnim] says something is correct it is the most just thing reflecting the people's intention and demand. Our people who have shared the intention with the leader [yongdoja] experienced the justness and the invincibility of the victory of the general's [changgunnim] line and policy through practical struggle and everyday experiences extending over a long period of time.

We were always victorious in our revolution because we followed the orders of the party and leader [suryong], and there were no failures because it was fought in accordance with the party's policy. Our party's ideology and policy were correct in the past, are just today, and will be an eternal banner of victory in the future.

Sharing the ideology and intention with the leader [yongdoja] means accepting the leader's [yongdoja] ideology as one's ideology and only thinking and acting according to it. Such a revolutionary will by no means look to someone else, and by no means has any kind of ideological agitation or defeatism.

Integrity and purity of only listening to the party's voice and only doing what the party asks, and a strong will to make things happen by devoting all wisdom and energy in order to realize whatever the party wants, even if it means making a flower blossum on a rock, are the traits of a revolutionary whose intentions are the same as the leader [yongdoja].

The more one is loyal to the leader's [yongdoja] ideology and intention, the more the blood-tied relations with the leader [yongdoja] are consolidated, and the more leader's [yongdoja] ideology and intention will bloom in our reality.

Firmly consolidating the wholehearted unity of the great leader [widaehan yongdoja] and people is also a sacred work to defend to the end the revolutionary integrity toward the leader [yongdoja]. The solidity of the wholehearted unity of the leader [yongdoja] and people lies in moral and loyal unity. The just duty of revolutionary fighters is to uphold and follow the leader [yongdoja] who fosters and takes care of them, as a father and teacher. Morality and loyalty that truly loves and takes care of the people deep from the heart is indeed blood-tied relations making it possible for the leader [yongdoja] and fighter, and the leader [yongdoja] and people to unite through ideological will as well as through affection.

Relations between the great General Kim Chong-il [widaehan kimjongil changgunnim] and our people is a relations of lofty relations of morality and integrity which history does not know of. Our people embraced the lofty political life in the bosom of the party and leader [suryong], and are fighters of the respected and beloved general [kyongaehanun changgunnim] and the general's [changgunnim] pupil who grew up to be true revolutionaries. The bosom of our general [changgunnim] is a bosom of a benevolent father which one wants to always embrace, and a bosom of a great revolution from which we cannot live apart from for even for a minute.

It is our general [changgunnim] who carried out the politics of love and faith and blossomed the fate of the people. It is also our general [changgunnim] who unfolded the magnificent plan for the people's happiness and the fatherland's prosperity and is devoting all kinds of pains. The respected and beloved general's [kyongaehanun changgunnim] love who is warmly taking care of our people by embracing all the people into his bosom is becoming all the more warm with each passing day, and our morality and integrity to carry out the revolution to the end by following the general [changgunnim] is being stored all the more in our hearts.

There is nothing more important for our revolutionary fighters than revolutionary integrity. Originally, conscience and integrity are man's lofty virtue and an important trait of a revolutionary. Even though one's ideology is sound, without a conscience and without knowing how to abide by integrity, one cannot be possessed with lofty, man-oriented traits and cannot be a true revolutionary.

Because revolutionaries have obligations, their dignity shines; because they treasure their obligations more importantly than their lives, the relationship between the leader [yongdoja] and the fighters, and between the leader [yondoja] and the people, becomes inseparable.

Our revolutionary obligation is precisely the clean communist conscience to repay the leader's [yongdoja] love, devoting everything to that cause. It is the lofty will to firmly travel the road of the revolution together with the leader [yongdoja].

Those who carry out the revolution should fulfill their obligations to the leader [yongdoja] under any circumstances. There is no more disgraceful thing in the world than to go back on one's obligations. When one fulfills an obligation, he becomes a loyalist; when one goes back on obligation, he becomes a traitor.

When they fight, cherishing in their hearts their obligations toward the leader [yongdoja], those who carry out the revolution can maintain a sincere heart of loyalty to the end, even on an isolated island, and can struggle to resolutely safeguard the leader [yongdoja], devoting their lives and singing the song of the revolution, even in prison or on a scaffold.

It is the glory of Korea, the greatest happiness of our people, and the pride of our nation to have harmonious unity between the leader and the people.

Our people firmly unite as one mind and will around the respected and beloved general, and are building a most superior new world where our ideology and morality, our feelings and emotions, and our lifestyles all flourish. This human world, which history has never witnessed before, is a new family society in which the leader [yongdoja] trusts in the people, the people trust in the leader [yongdoja], and everyone lives together, helping and leading each other.

There are no more dignified and happy people in this world than our people who lead a harmonious and rewarding life, upholding the great leader [yongdoja] as their father and sharing joys, sorrow, and fate with each other.

Whatever the maneuvers of the imperialists, and however multilayered the barriers before us may be, we will be victorious without fail because our cause is just and because the road we traverse is the road our people and a progressive mankind desire. Our chuche-style revolutionaries and people have mastered the noble truth of the revolution that when they are firmly united under the leader [yongdoja], and when they struggle, sharing joy, sorrow, and fate with each other, then they can enjoy a most valuable and rewarding life and can be ever-victorious all the time.

It is the firm and invariable will of our people to take this principle as their motto, which they have cherished in their hearts as a faith during their struggle, and to vigorously fight, following the great General Kim Chong-il and holding aloft the red flag of the revolution.

Whatever complicated situation may be created before us, and whatever trials may await us in the future, we will not hesitate or retreat even a step.

There will always be only victory and glory along the road ahead for our revolution in which the great leader [yongdoja] and the people advance with the might of harmonious unity.

DPRK: Seminar on Chuche-Oriented Literature, Art Held

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[FBIS Transcribed Text] Pyongyang, July 17 (KCNA) — A seminar on the chuche-orientated thought of literature and art was held here on Tuesday to mark the fifth anniversary of the publication of the famous work of the great leader Comrade Kim Chong-il "Theory on Musical Art".

Comrade Kim Chong-il published the work which is of historic significance in creating music of the age of independence, socialist and communist music, conducive to the chuche revolutionary cause on July 17, 1991.

The work reviews and generalizes the brilliant exploits and experience of the great leader President Kim Il-song and the Workers' Party of Korea in creating the chuche music. It is an encyclopedia of musical art and an important guide that guarantees continuous development and efflorescence of Korean music.

Song Tong-chun, chairman of the Central Committee of the Korean Musicians' Union, and other speakers noted that the work newly indicates the social function and role of the chuche music that must be revolutionary in content and popular in form, the tasks and ways to thoroughly establish chuche in music and to create famous music for the revolution and the matter of popularizing music.

They referred to the remarkable success the Korean chuche- orientated musical art has achieved under the energetic guidance of the respected Comrade Kim Chong-il for five years since the work published.

South Korea

ROK Navy Submarine Joins Annual ROK-U.S. Exercise

SK1507082396 Seoul YONHAP in English 0709 GMT 15 Jul 96

[FBIS Transcribed Text] Seoul, July 15 (YONHAP) — A South Korean naval submarine, the 1,300-ton Choe Muson, participated in a combined Korea-U.S. anti-submarine exercise held in the East Sea [Se of Japan] off Tonghae and Pohang from July 4 to 6, the first ever by a Korean sub, a South Korean Navy spokesman said Monday.

Six ships, including a destroyer, and P-3C anti-submarine aircraft from the South Korean Navy participated in the annual maneuver along with the Frigate McClosky (4,000 tons) and P-3C patrol aircraft from the United States.

Training consisted of exercises connected with the search and pursuit of submarines, mine laying, counter-infiltration by special forces and combined air-sea operations.

The South Korean Navy currently has five submarines, three in active service.

ROK: Tilelli Formally Assumes Post of Commander of USFK

SK0907074896 Seoul YONHAP in English 0652 GMT 9 Jul 96

[FBIS Transcribed Text] Seoul, July 9 (YONHAP) — Gen. John Tilelli formally assumed his post Tuesday as the new commander of the United States Forces Korea [USFK] at a change-of-command ceremony at the U.S. military compound in Yongsan, central Seoul.

"We will focus on our mission of strengthening the alliance, maintaining the armistice and deterring war through the strength and readiness of our combined defense team," said Gen. Tilelli, who replaced the retiring Gary Luck.

Defense Minister Yi Yang-ho, U.S. Ambassador James Laney and Adm. Joseph Prueher of the U.S. Pacific Fleet were among those attending.

"I am confident that together, we will face the challenges of an uncertain future with the same energy and commitment that has maintained the armistice and secured the peace on the Korean peninsula for the past 43 years," he added.

Tilelli previously served in the 1990 Persian Gulf war as 1st Mechanized Division commander. Afterwards, he held various military posts including U.S. Army vice chief of staff.

ROK Article on Remarks by U.S. Assistant Defense Secretary

SK1807024596 Seoul THE KOREA TIMES in English 18 Jul 96 p 2

[Article by staff reporter Son Ki-yong: "Empty Promises on SOFA Revision Erode Credibility of U.S. Policymakers"]

[FBIS Transcribed Text] A senior U.S. official Tuesday pledged to "expedite" the time-consuming process of bilateral negotiations aimed at revising the Korea-U.S. Status of Forces Agreement (SOFA), but few Korean officials are convinced by his promise.

Visiting U.S. Assistant Secretary of Defense for International Security Affairs Frank Kramer made the remarks when he met Deputy Foreign Minister Chong Tae-ik at the Foreign Ministry.

Kramer, who took over the Defense Department position from Joseph Nye, is undoubtedly one of the top security policymakers in the Clinton administration, but his influence over the SOFA revision talks are in question.

In March, Seoul handed over a package of its final proposals to Washington, but the U.S. government has been dragging its feet for four months, alleging that the draft contained "too many sensitive" phrases, thus requiring time for a thorough scrutiny.

The revision of the controversial agreement regulating the administrative matters of U.S. servicemen and military bases stationed here was originally agreed upon in November when U.S. Secretary of Defense William Perry visited Seoul.

Seoul officials alleged that the bilateral agreement contained unfair regulations hampering Seoul's judicial rights over U.S. servicemen involved in crimes.

At that time, Perry told a press conference following his talks with Foreign Minister Kong No-myong, "Their work will be completed by Jan. 31 next year. This review will be glided by the principle of comparability with other U.S. allies, including comparable and just treatment of U.S. personnel. The minister and I have a common understanding that both reviews will be carried out in a manner conducive to a stronger ROK-U.S. security alliance as befitting the close friendship between Korean and American people."

But, during the follow-up negotiations, the United States has not only failed to heed the so-called "target date," but also hesitated to give "comparable" treatment to Korea.

In contrast, SOFA revision talks between the United States and Japan were wrapped up last year in a way that gave more authority to Japanese law enforcement.

Joseph Nye, then-assistant secretary of defense who accompanied Perry, said, "The SOFA that Japan had was better than the SOFAs in many other European countries because the Japanese were able to ask that the criminal be handed over at the time of indictment rather than sentencing."

Basically, Japan managed to conclude its SOFA revision talks with the United States amid the fury in Japan in the aftermath of the rape of an Okinawa girl by U.S. servicemen.

"What was just agreed upon with Japan was that without changing the formal SOFA, we could conduct informal procedures that would allow in special cases the Japanese government to have custody involving the heinous crimes of rape and murder," Nye said.

Ironically, ROK-U.S. SOFA talks were also kicked off after Koreans became infuriated following reports of U.S. servicemen allegedly harassing a Korean woman on a subway.

However, U.S. negotiators attending the SOFA revision talks have been reluctant to improve the ROK-U.S. SOFA to the level of that between Washington and Tokyo as the dust from the incident has settled.

In particular, Korean and U.S. negotiators failed to agree on the revision of SOFA's criminal jurisdiction clauses, which could open the way for Korean authorities to obtain the custody of American suspects before their indictment when they are involved in the same "heinous crimes of rape and murder."

As the ROK-U.S. SOFA talks come on the heels of U.S.-Japan talks, many believe that an agreement between Seoul and Washington will contain more progressive ideas than the one between Washington and Tokyo.

So far, the two countries have held six rounds of working-level talks but failed to narrow their differences on outstanding issues.

As negotiations involve two parties, the United States is not solely to blame for the delayed conclusion of SOFA talks. But it is nonsense that Washington failed to respond to Seoul's initiatives for four months, thus eroding the two allies' ties that should be based on mutual trust.

Although they are not blindly seeking to obtain an early revision, South Korean officials still hope for an early resumption of bilateral talks as it is one of the sensitive domestic issues.

"Once the United States responds to our draft, the two countries are expected to hold working-level talks to finalize the SOFA revision," Deputy Foreign Minister Chong said to reporters following his talks with Kramer.

Since it was signed in 1967, the bilateral agreement was revised for the first time in February 1991. At that time, Seoul strongly demanded that Korean law enforcement authorities possess the right to investigate American suspects in their custody, only to be rejected by Washington.

ROK To 'Resolutely Cope' With U.S. Trade Pressure

SK1807113196 Seoul KYONGHYANG SINMUN in Korean 18 Jul 96 p 2

[Report by Yi Pyong-kwang]

[FBIS Translated Text] It has been learned that the government decided to resolutely cope [tanhohi taeungkiro] with U.S. trade pressure, which has recently been increasing, while maintaining our principles.

According to the Foreign Ministry and the Ministry of Trade, Industry, and Energy, on 17 July the government concluded that the trade pressure which has recently been applied to us by the United States in the domain of automobiles, telecommunications equipment, agricultural products, and the like, is unreasonable [ichie ogunnan yogu], and thus has decided to maintain our own position on this matter.

A relevant government official stated: "The deadline for negotiations between the two sides over the system of inspection and quarantine of agricultural products, for which the United States has filed suit with the World Trade Organization [WTO], is 24 July. However, the ROK will not make unreasonable concessions [murihan yangbo] to the United States in a bid to keep that deadline."

As regards the inspection and quarantine system, the ROK Government admitted the U.S. demand for reducing the customs clearance time for agricultural products is reasonable, and thus intends to rectify the system. However, the government decided not to accept the demand for the abolition of the homoiothermal cultivation test.

Thus, it is certain the issue concerning the system of inspection and quarantine of agricultural products will be forwarded to the panel (the dispute coordination organ) by the United States after 24 July. Since the WTO was formed last year, other countries have instituted lawsuits against the ROK on five occasions. However, no case has entered the stage of establishment [solchi tangye] up until now.

In view of the level of custom duties in other countries, the government believes the U.S. demand for lowering the tariff imposed on car imports lacks persuasiveness, and thus decided to reject it.

As regards recent ROK-U.S. negotiations over telecommunications equipment, the government decided not to accept the U.S. demand for allowing U.S. enterprises to supply more than 60 percent of the equipment to be procured from newly-licensed telecommunications business firms.

ROK: U.S. Not To Pay 'Even a Penny' for LWR Construction

SK1807012296 Seoul CHOSON ILBO in Korean 18 Jul 96 p 1

[By reporter Ku Song-chae]

[FBIS Translated Text] It was learned on 17 July that the United States has already decided not to pay even a penny for building light-water reactors [LWR's] in North Korea.

A government source said that "the 1997 budget requested by the U.S. State Department does not include any item for LWR construction," and added: "This is a result of fulfilling a promise by U.S. Secretary of State Warren Christopher who said 'I will not pay even a penny for building LWRs in North Korea' during a closed- door meeting held at the Congress right after the Geneva agreement was signed on the nuclear issue in October 1994."

In 1995, the U.S. State Department requested the Congress to allocate a $9 million budget for LWR construction, but the Congress slashed the entire amount of $9 million, saying it was "a breach of the promise."

The ROK, Japan, and the United States have agreed to share the expenses for the LWR project, which are estimated to be over $6 billion, based on a central contribution by the ROK, a meaningful contribution by Japan, and a symbolic contribution by the United States. However, due to the revealed U.S. internal policy on this project, disputes are expected between the three countries.

Meanwhile, the government source said that a total of $25 million recently requested by the U.S. State Department for supplying heavy oil to North Korea and for operating KEDO has been cut to $13 million, and it seems the adjustment was made in accordance with the

U.S. policy of providing support for the LWR project within a certain amount.

ROK: DPRK 'Highly Likely' To Accept 3-Way Explanatory Talks

SK1807055396 Seoul CHUNGANG ILBO in Korean 18 Jul 96 p 2

[By reporter Pae Myong-pok]

[FBIS Translated Text] Believing it is highly likely that North Korea will accept the three-way explanatory meeting proposed by the ROK and the United States in connection with the four-way talks on the issue of the Korean Peninsula, the ROK Government has reportedly set out about preparing phased measures, such as the provision of additional food aid to North Korea and the expansion of inter-Korean economic cooperation, to induce North Korea to accept the four-way talks.

On 17 July, a government official hinted that both the ROK and the United States believe North Korea is highly likely to accept the three-way explanatory meeting, by saying: "On 14 July when he visited the ROK, the government had an intensive discussion with Anthony Lake, U.S. White House national security adviser, on measures following North Korea's possible acceptance of the three- way explanatory meeting." In this regard, a diplomatic source said: "Minister Han Song-yol of the North Korean Mission to the United Nations expressed in detail his interest in the three-way explanatory meeting during contacts with U.S. State Department officials for Korean affairs." The source then added: "I understand he expressed great interest in advantages North Korea may have in return for accepting the explanatory meeting."

ROK: DPRK 'Considering' 'Joint Explanatory Meeting'

SK1807100896 Seoul MUNHWA ILBO in Korean 18 Jul 96 p 1

[Report by Washington-based correspondent Kim Sung-ung]

[FBIS Translated Text] It has been learned that in an effort to facilitate the holding of four-way talks, the ROK and the United States have agreed to hold a "joint explanatory meeting" [haptong solmyonghoe] with North Korea to explain the background and purpose of the four-way talks proposal, and that North Korea has already agreed to hold the joint meeting.

Regarding the joint explanatory meeting, which is likely to be held in New York before the end of July, Winston Lord, U.S. assistant secretary of state for East Asian and Pacific affairs, stated on the morning of 18 July (Korean time): "They (North Korean leaders) are now seriously considering accepting the joint explanatory meeting."

Assistant Secretary Lord held a news conference on 17 July upon his return to Washington after visiting the ROK, Japan, and the PRC last week with Anthony Lake, White House national security adviser. During the news conference, he used the words "joint explanatory meeting" for the first time, attracting great public interest.

He said North Korea "demanded many concessions as preconditions for attending the explanatory meeting."

With regard to North Korea's demands, a diplomatic source well versed in ROK-U.S. relations said: "I understand North Korea has demanded the United States lift all economic sanctions against North Korea, remove North Korea from the list of terrorist nations, and provide 1 million tonnes of rice aid to ease the food difficulties in North Korea." The source then recalled the secret meeting held in New York on 11 July between officials of the U.S. State Department and the North Korean Foreign Ministry.

Another source added: "I understand North Korea has already conveyed its response that it will accept the joint explanatory meeting." The source added that Song Yong-sik of the ROK Foreign Ministry, Han Song-yol of the North Korean mission to the United Nations, and Straub [name as transliterated], acting chief of the Korea desk at the U.S. State Department, have been appointed by their respective governments as delegates to the New York meeting.

Assistant Secretary Lord expressed an optimistic view, saying: "Frankly speaking, we are quite cheered (with the North Korean response). The PRC also sent its support for holding the explanatory meeting." However, he did not mention when the explanatory meeting will be held.

ROK Official Denies Report on DPRK, ROK, U.S. Aug Meeting

SK1807065996 Seoul YONHAP in English 0615 GMT 18 Jul 96

[FBIS Transcribed Text] Seoul, July (YONHAP) — North Korea recently hinted at its keen interest in the proposed four-way peace talks when working-level officials from the North and the United States met in New York to discuss quadrilateral talks on a permanent peace regime on the Korea peninsula, a senior Foreign Ministry official said Thursday.

The official, however, dismissed as totally groundless reports that the North has agreed to meet in early August with South Korea and the United States so it could be briefed on the proposed four- party meeting.

"Richard Christensen, deputy head of the Korea desk at the U.S. State Department, met with Minister-Counsellor Han Song-yol at the North Korean United Nations Mission last week to discuss the four- party meeting and Han did not respond negatively," according to the official who did not want to be named.

Christensen offered a series of benefits the North could receive once the Pyongyang government agrees to the quadripartite peace talks involving the two Koreas, the United States and China, he said.

They include the additional easing of economic sanctions on North Korea, further food assistance, and dropping the North from the U.S. Government's terrorist list. U.S. delegations to international financial organizations are obliged under law to oppose any aid or loan to the countries listed as terrorist states.

The North's Han expressed keen interest in the possible benefits and said that he will report them to his ministry in Pyongyang, the official said.

"Han did not express any negative response to the meeting and that fact alone can be interpreted as an improvement in the North's attitude in consideration of the fact that it has usually rebuffed any offer from the South and the United States immediately after they were made," he said.

In this context, South Korea and the United States have made an effort to avoid provoking the North while also taking steps to encourage the North to accept the four-way peace talk proposal, according to the official.

South Korea, for example, has recently allowed a few large businesses to invest in North Korea, nongovernmental organizations to offer humanitarian aid to North Korea and has refrained from denouncing the North. It also offered 3 million dollars to the North through the United Nations Department of Humanitarian Affairs (UNDHA).

Although South Korea and the United States have agreed to refrain from providing additional large-scale food aid to the North and have not yet lifted the economic sanctions on the North, the two allies have tried to foster an atmosphere in which the North can accept the four-way peace talk proposal offered by Seoul and Washington.

"It is very natural that the North respond to the proposal for the four-party talks considering the substantial benefits the North can receive," he said, adding that the North knows that South Korea is the only country which can help it overcome its current food shortage and economic problems.

Another major factor, which might have a positive effect on efforts to induce the North to participate in the four-party talks, is the thawing relations between Pyongyang and Beijing and Sino-U.S. relations.

"Any improvement in Sino-U.S. relations will help materialize the four-party talks in that any aggravation of relations between the United States and China, which is afraid of being alienated from international politics involving North Korea, could prompt China to try to use the North Korean issue as a card in relations with the United States," the official said.

North Korea could also be worrying about the possibility that China might side with South Korea in the four-way peace talks if Sino-North Korea relations are getting worse, he said.

China's official position on the four-way talks have been that it will take part in the peace talks once the two Koreas agree to China's participation in the talks.

Based on the North's positive response to the four-way talks so far, South Korea and the United States have prepared a joint format strategy, including the agenda and level of officials at the four- way talks, according to the official.

The issue of the four-party talks will be the major topic when Foreign Minister Kong No-myong meets with U.S. Secretary of State Warren Christopher and Japanese Foreign Minister Yukihiko Ikeda in Jakarta, Indonesia, on July 24 on the sidelines of the Asean Regional Forum (ARF) and ARF post ministerial conference of 21 countries which have great security interests in the East Asia and the Pacific.

ROK: 12-Member KEDO Team Leaves Seoul for Pyongyang

SK1807031296 Seoul YONHAP in English
0250 GMT 18 Jul 96

[FBIS Transcribed Text] Seoul, July 18 (YONHAP) — A 12-member team from the Korean Peninsula Energy Development Organization (KEDO) left Seoul Thursday for Pyongyang to discuss the Light-Water Reactor project with North Korea.

Kim Yong-mok, special aid to the Office of Planning for the Light-Water Reactor Project, was among the group and will represent the South Korean Government in the KEDO-North Korea meeting that will begin at Hyangsan Hotel in Mt. Myohyang, North of Pyongyang, Saturday.

The agenda for the meeting includes the discussion of two protocols involving the reactor site and services for the reactor project.

The meeting will be down to earth and constructive, as the KEDO- North Korea talks in New York were, an official of the Planning Office for the Light-Water Reactor Project said.

The meeting will last about 10 days and the two protocols will be signed after additional discussions in New York, he added.

KEDO and North Korea have agreed to alternate the light-water reactor talks between New York and North Korea.

ROK Official: DPRK Can Move Troops Via Kumgangsan Dam Waterway

SK0907084796 Seoul CHUNGANG ILBO in Korean 9 Jul 96 p 2

[FBIS Translated Text] A military information officer on 8 July said that North Korea can move its troops to the South on a large scale in case of emergency through the underground waterway of the Kumgangsan Dam, which was completed on 30 June.

A responsible official of the Ministry of National Defense on that day said that the width of the 30km-long waterway located in the upper reaches of the Kumgangsan Dam, which connects Hoeyang County and Anbyon County in Kwangwon Province, is over 15 meters, over six times as wide as that of the No. 1, No. 2, and No. 3 underground tunnels; and that six tanks can simultaneously pass through the waterway [as published]. He added that it is quite possible that North Korea will try to use it for military purposes.

ROK Article on DPRK Missile Sales, Production Since Late 1980's

SK1207032096 Seoul THE KOREA HERALD in English 12 July 96 p 3

[FBIS Transcribed Text] North Korea has sold 370 Scud missiles to Iran and other Arab countries since 1987, military sources said yesterday.

The sources said the North can produce 150 Soviet-designed missiles, with a range of 300 km to 500 km, a year.

The Communist country is also pushing to sell new missiles, called Nodong-1, with a longer range, which it has developed with its own technology, said the sources.

Iran was the largest customer with 200 missiles, and the other customers include Iraq, Syria and Libya, they said.

Iran got 100 Scud-B missiles with a 300-km (187-mile) range in 1987-88 and 100 Scud-C missiles with a 500-km (312-mile) range in the early 1990s, the sources said.

Iran is also interested in buying new North Korean missiles, Nodong-1, with a 1,000-km (625-mile) range, the sources said.

The North also is helping Libya Iran and Syria build missile plants, they added.

Recent U.S. news reports said North Korea has supplied several shipments of Scud-C missile materials to Egypt.

ROK Officer Who Failed To Sound MIG Defection Alert Sentenced

SK1507011296 Seoul THE KOREA TIMES in English 15 Jul 96 p 3

[FBIS Transcribed Text] Kim Tu-su, former chief of the Seoul alert control center, was sentenced to one year in jail for his failure to order an air raid alert for the metropolitan city when a North Korean air force captain defected to the South in a MiG-19 jetfighter in May.

Three technicians at the center were also given 10-month terms with execution suspended for two years.

State prosecutors earlier sought a three-year jail term for Kim, who was relieved of his post moments after the fiasco.

Kim was charged with fabricating official documents and damaging public property.

Air-raid sirens were not sounded in the metropolitan city because the automatic alert system was disconnected from the Home Ministry's central alert system in Osan, Kyonggi-to.

The judge said in the verdict, "The defendants cannot avoid their responsibility for the negligence of their significant duties."

ROK Editorial Urges 'Resolutely' Defending Northern Limit Line

SK1807110296 Seoul TONG-A ILBO in Korean 18 Jul 96 p 3

[Editorial: "We Must Resolutely Defend the Northern Limit Line"]

[FBIS Translated Text] The remarks made by Defense Minister Yi Yang-ho concerning the Northern Limit Line [NLL], which were in response to interpellations at the National Assembly, were, in a word, rash [kyong-sol]. As an opposition assemblyman questioned why the government took lukewarm measures in dealing with the crossing of the NLL by North Korean patrol boats after the 11 April general election, Yi said: "It does not matter [sanggwan optta] if North Korean warships [hamjong] cross the NLL in the West Sea [Yellow Sea]." Since his remarks posed a problem, he explained that "his remarks meant such an act is not a violation of the Armistice Agreement, rather than that the crossing itself is acceptable."

Nevertheless, Defense Minister Yi's explanation failed to make the people fully understand. Although the NLL has not been specified in the Armistice Agreement, in actuality it plays a role similar to the Military Demarcation Line [MDL], which is provided for in the Armistice Agreement. In other words, if the MDL is considered a military boundary on land, the NLL is a military boundary at sea. This being the case, these two lines are quite necessary for preventing military clashes.

The NLL was established by the commander of the UN Forces on 30 August 1953 following the signing of the Armistice Agreement, with a view to preventing military tensions on the West Sea and protecting fishing boats. Although the NLL is different from the MDL, which was specified in the Armistice Agreement and agreed upon and signed by both sides, the NLL has been tacitly recognized for over 40 years, even by the North Koreans. Thus, there is no practical difference between the two.

The NLL is absolutely necessary for us to defend the five islands in the West Sea. Since North Korea declared last April that it no longer recognizes the DMZ, Pyongyang has constantly been attempting to incapacitate the Armistice Agreement regime, including deploying armed troops within the Joint Security Area at Panmunjom. In addition, in May five North Korean patrol vessels crossed the NLL and intruded deep into the South. They even perpetrated provocative acts on the sea around the five islands in the West Sea. This showed that if the NLL is demolished, we will not be able to effectively protect the five islands in the West Sea.

Regardless of the validity of international law, what is important is North Korea's past practice in observing the NLL. North Korea's recent frequent crossing of the NLL is clearly a provocation. We urge the Ministry of National Defense to clearly express its attitude toward this.

ROK: DPRK Refuses ROK Aid For Olympic Participation

SK1207065496 Seoul TONG-A ILBO in Korean 12 Jul 96 p 2

[Report by correspondent Yun Hui-sang from Atlanta]

[FBIS Translated Text] It has been learned that North Korea, which decided belatedly to participate in the 26th Olympics in Atlanta, has refused to accept money — part of expenses required for participation in the Olympics — offered by the ROK.

Asked about "the issue of the ROK sharing some of the expenses of North Korea's participation in the Olympics," Kim Un-yong, president of the ROK Amateur Athletic Association and vice chairman of the International Olympic Committee, said on 11 July that "a direct offer of money to North Korea is unreasonable. Besides, there has been no previous such instance. As such, the ROK sought ways to convey the money indirectly. However, nothing has borne fruit."

ROK: Daewoo Remits 5 Million Dollars to DPRK Joint Venture

SK1307002496 (Internet) The Joong-Ang Ilbo WWW in English 13 Jul 96

[FBIS Transcribed Text] It was confirmed that the Daewoo Group recently sent 5 million dollars (about 4 billion won) as investment capital for a joint-venture company in North Korea.

Even though there have been numerous cases when export and import bills were settled through a third country in the process of trade transactions with North Korea, this is the first time that a domestic company was confirmed to have sent investment capital to North Korea.

According to related authorities and the financial sector, Daewoo remitted 5 million dollars in early July through the Export-Import Bank via Hong Kong to a company in North Korea.

An official at the bank stated, "we sent 5 million dollars to North Korea at the request of Daewoo's special business team. It was the first time for a Korean company to sent money for investment purposes to North Korea." It was reported that the money will be used as management fund by the joint-venture company set up in North Korea in March of this year (Daewoo and North Korea each invested 50 percent). The joint-venture company will take charge of managing and exporting the products produced in Nampo Industrial Complex in the North.

ROK: KFSB: 78.1% of Small Firms Hope for DPRK Business

SK1807014996 Seoul THE KOREA TIMES in English 18 Jul 96 p 8

[FBIS Transcribed Text] As many as 78.1 percent of all small domestic companies hope to be doing business in North Korea by 1998 as part of efforts to cope with the shortage of manpower here, a survey by the Korea Federation of Small Business (KFSB) indicates.

It said a majority of 65.4 percent companies project entries into North Korea between next year and 1998 while another 12.7 percent said they hope to do so before the end of this year.

However, 19.8 percent said they would not consider getting into North Korea before 1999 because of the high risk involved in doing business with the communist regime, the survey revealed.

The survey was conducted on 298 member companies of the KFSB to determine the business plans of small companies as far as North Korea is concerned.

Officials who evaluated the results of the survey said 24.8 percent of the respondents were looking into the possibility of operating in the North in the area of metal assembly and machinery and 22.8 percent were interested in other manufacturing ventures.

Another 15.7 percent expressed interest in electric and electronics as well as telecommunications while 11.0 percent were keen on getting into textiles. At least 12 companies were found to already be doing business with the North.

As for the type of investment, 54.7 percent said they would like to go it alone while 38.2 percent said they would be looking for some type of joint venture, the officials said.

Asked about the prime motive for investing in the North, 81.5 percent said they were hoping to resolve the issue of manpower shortages as well as take advantage of the low cost of labor in North Korea.

On a multiple-answer basis, 36.2 percent said they wanted to target the internal demand in North Korea while 25.2 percent cited the availability of basic materials in the North.

As for areas in which they would like to invest, 22.6 percent of the 128 companies which responded pointed at the capital of Pyongyang where it is known the infrastructure is better by far than anywhere else in North Korea.

Other potential sites were the Najin-Sonbong Free Trade Zone with 19.5 percent, Nampo with 17.9 percent Kaesong with 11.7 percent and Haeju with 10.9 percent, the officials said.

On the question of their sources of information about North Korea, 75.8 percent said they look to newspapers and television and radio reports while 33.8 percent said they got information through other companies.

The pace of investment in the North has been picking up in recent months with the Ministry of National Unification giving out authorizations for investments exceeding 5 million dollars to a total of five companies.

ROK: DPRK Completes Only 7 Major Building Projects Jan-Jun

SK1407105996 Seoul YONHAP in English 0707 GMT 14 Jul 96

[FBIS Transcribed Text] Seoul, July 14 (YONHAP) — North Korea completed only seven major construction projects during the first six months of the year, indicating its extreme economic stagnancy, an official from the National Unification Ministry [MNU] said Sunday.

The performance represents half of 14 construction projects completed last year and less than one-tenth of 74 projects executed in 1992, according to the official.

The number of major construction projects North Korea carried out peaked in 1992 with 74 and then plummeted to 22 in 1993, 19 in 1994 and 14 in 1995.

Among the seven projects completed during the first six months of the year were "December Thermal Power Plant," a potassium carbonate plant, a reservoir, the first phase of Mt. Kumgang (diamond) hydraulic power plant, and two mining galleries.

The official blamed scarce investment resources arising from deteriorating treasury, wasteful budget disbursements for political and ideological purposes, and energy shortages for the sluggish construction in the North.

Construction in the North during the first half of the year is featured, however, by reinvigorated construction of a railroad line linking Wonsan with Mt. Diamond and Yongwon Power Plant, the official added.

ROK: DPRK Begins Kumgangsan Foreign Tourist Development Project

SK1507053696 Seoul CHUNGANG ILBO in Korean 15 Jul 96 p 1

[Report by Beijing correspondents An Hui-chang, Kim Yong-ho]

[FBIS Translated Text] North Korea has developed a plan to attract foreign tourists every year — 500,000 tourists during the first stage, one million during the second stage, and three million during the third stage. It began full preparations for the project's development since 1994.

Pak Kyong-yun, chairman of the Kumgangsan International Group, who just returned from North Korea after attending the memorial service on the second anniversary of Kim Il-song's demise, revealed this in an interview with CHUNGANG ILBO in Beijing on 14 July, saying: "North Korea has a plan to increase tourist revenues to more than $500 million annually, expecting tourists to spend approximately $1,000 per head."

Pak added: "North Korea plans to make the Kumgangsan area the largest tourist complex in the East Asia, even equipping it with a casino. The North Korean authorities are pursuing a Singapore-style tourist development." He conveyed the North Korean authorities had already finished canvassing all potential problems in areas where large tourist facilities were built, and have a flexible position on the possible influx of social evils, such as prostitution, saying it is okay as long as "they are not North Korean women." Pak stated that the Kumgangsan development project is being facilitated at President Kim Il-song's behest, and hoped ROK businesses will participate in it.

ROK: DPRK Attempts To Drum Up Japanese Business for Najin Zone

SK1307085496 Seoul YONHAP in English
0711 GMT 13 Jul 96

[FBIS Transcribed Text] Seoul, July 13 (YONHAP) — A senior official of the United Nations Development Program (UNDP) will attend a series of explanation sessions in Tokyo to attract investment to North Korea's Najin-Sonbong Free Trade Zone, a Foreign Ministry official said Saturday.

Investment Advisor Ian Davies of the Tumen Secretariat, Tumen River Area Development Program (TRADP), which belongs to the UNDP, will accompany the North Korean delegation to the explanation sessions, the official said.

Davies will stay in Tokyo until July 26 to attend the explanation sessions organized by Kim Chong-u, chairman of the North's Committee for the Promotion of External Cooperation, and other North Korean officials.

The North Korean delegation will hold the explanation sessions in Tokyo until Tuesday before moving to Niigata. The sessions will continue in Doyama on Friday and Osaka on July 22.

The North Koreans are expected to invite Japanese businessmen to a seminar on investment in the Tumen River Area, which will be held in Beijing from Sept. 9 to 11, and another round of explanation sessions in Najin-Sonbong Free Trade Zone to be held between Sept 13 and 15.

ROK: PRC Agrees to Grain, Oil, Coal Aid to DPRK for 5 Years

SK1807023696 Seoul YONHAP in English
0204 GMT 18 Jul 96

[FBIS Transcribed Text] Tokyo, July 18 (YONHAP) — China has secretly promised North Korea that it would provide 500,000 tons of grain, 1,300,000 tons of petroleum and 2,500,000 tons of coal, half of them in grant aid and the other half at one-third of international price, in the next five years, MAINICHI SHIMBUN reported from Seoul Thursday.

The Chinese assistance is an indication that the Beijing Government will make positive efforts to prevent the possibility of the communist country's collapse due to food shortages and an economic crisis, the paper said, quoting a diplomatic source.

The report added that the Chinese support corresponds to Pyongyang's strategy to stick to its establishment, now headed by Kim Chong-il.

Relations between the two countries, which had been uneasy since China established diplomatic ties with South Korea in August 1992, began to recover rapidly after North Korean Vice Premier Hong Song-nam visited Beijing last May, according to MAINICHI.

The secret Chinese promise was made in July when delegations from Pyongyang and Beijing made mutual visits to observe the 35th anniversary of the signing of the China-North Korea cooperation and mutual aid agreement.

MAINICHI said the Chinese food aid would help North Korea overcome an imminent crisis. It said that China will be able to maintain its influence over North Korea with the new initiative.

ROK Decides To Donate $100,000 for Flood Relief to PRC

SK1207021996 Seoul YONHAP in English
0037 GMT 12 Jul 96

[FBIS Transcribed Text] Seoul, July 12 (YONHAP) — The South Korean Government decided Friday to send 100,000 U.S. dollars to flood victims in southern China in aid of their rehabilitation work, Foreign Ministry spokesman So Tae-won said.

Torrential rains caused 237 deaths, 2,064 homeless and 1.35 million hectares of inundated rice paddies in southern China last month, according to statistics of the Ministry of Civil Affairs of China. The ministry estimated total property damage to be about 2 billion dollars.

Last Saturday President Kim Yong-sam sent a telegram to his Chinese counterpart Jiang Zemin to express his condolences.

ROK: Ethnic Koreans From PRC Attempt To Enter ROK

SK1307121396 Seoul KBS-1 Radio Network in Korean 1100 GMT 13 Jul 96

[FBIS Translated Text] Thirteen ethnic Koreans from China have been caught trying to enter the ROK secretly through the Port of Pusan. At around 1500 [0600 GMT] on 14 July, the National Maritime Police and the ROK Navy found 13 Korean ethnic people in China onboard Tongmyong-97, a deep-sea fishing vessel of Pusan, which was approaching the southern port of Pusan from the sea, in an attempt to secretly enter the ROK.

The Maritime Police are now questioning the captain of the vessel, as well as the Korean ethnic people, on the details of their attempt to secretly enter the ROK to determine whether an organization was behind the attempt.

ROK, Japanese International Cooperation Agencies Sign MOU

SK1207031496 Seoul YONHAP in English 0211 GMT 12 Jul 96

[FBIS Transcribed Text] Seoul, July 12 (YONHAP) — The Korea International Cooperation Agency (KOICA) and its Japanese counterpart Japan International Cooperation Agency (JICA) Friday signed a memorandum of understanding (MOU) on cooperation between the two agencies.

KOICA president Chong Chu-nyon and his Japanese counterpart Kimio Fujita signed the MOU at the KOICA headquarters in downtown Seoul.

The MOU calls for the two organizations to exchange publications and information on overseas development projects. It also stipulates that the two entities organize joint development projects in developing countries.

The government-funded organization JICA was established in 1973 to assist developing countries with their development projects. JICA has 51 overseas offices staffed by more than 1,200 employees.

ROK: Police Ordered To Reinforce Security Near Japanese Embassy

SK1307013996 Seoul YONHAP in English 0122 GMT 13 Jul 96

[FBIS Transcribed Text] Seoul, July 13 (YONHAP) — The National Police Administration (NPA) instructed police nationwide Saturday to tighten security around the Japanese Embassy and for Japanese organizations and tourists in connection with an extremist's attack on the South Korean Embassy in Tokyo Friday.

Under the NPA directive, two more policemen were dispatched to the Japanese Embassy and the Japanese Cultural Center in downtown Seoul, in addition to the eight and six policemen stationed there, respectively. In addition, some 30 patrolmen were deployed at Japanese organizations to prevent any anti-Japanese attacks.

Police were also stationed across the nation to strengthen security against any possible attacks and intrusions into major state facilities.

Security was ordered tightened around the residences of Japanese diplomats here and at hotels and lodging places housing Japanese businessmen and tourists.

ROK: Prime Minister, Finance Minister on ROK Entry Into OECD

SK1807074496 Seoul YONHAP in English 0620 GMT 18 Jul 96

[FBIS Transcribed Text] Seoul, July 18 (YONHAP) — Prime Minister Yi Su-song said Thursday that the government, before joining the Organization for Economic Cooperation and Development (OECD), would make all possible preparations for the burdens that will be required by OECD membership.

Responding to lawmakers' questions about the government's economic policies at a plenary meeting of parliament, he added, "I don't think we need to be in a hurry to join the OECD."

On deregulating economic activity, Yi said the government is considering implementing "a negative system" so that the people, as well as businesses, may feel the liberalization in their everyday life.

The negative system involves deregulating all activities except for those put down on the negative list.

Finance and Economy Minister Na Ung-pae said the funds supporting small business restructuring would be increased from the 1.5 trillion won (1.84 billion U.S. dollars) set aside for this year to 2 trillion won next year.

The anticipated tax reforms have been designed to raise the necessary funds for infrastructure expansion projects without increasing the tax burden on the middle-class.

Na, who is concurrently serving as deputy prime minister, promised to increase research and development spending from the 2.6 percent of the budget for this year to 3-4 percent next year to accelerate technological innovation.

He blamed the excessive capital investment by the semiconductor, steel and petrochemical industries to more than double production in the past five years for the difficulties facing the economy today.

ROK: 'Localization Ratio' Under 60 Percent but Increasing

SK1307122496 Seoul THE KOREA ECONOMIC WEEKLY in English 8 Jul 96 p 4

[FBIS Transcribed Text] The localization ratio of manufactured goods here still reached less than 60 percent, source at the Bank of Korea said.

Yet the localization ratio has been on the steady increase, encouraged by good progress in the localization of advanced materials and components, the sources said.

The localization ratio of all manufactured goods in 1993 was 58.9 percent, up 1.8 percentage points from 57.1 percent reported in 1990.

By major commodity group, the localization ratio for light manufactures went up from 66.3 percent in 1990 to 67.0 percent in 1993 and that for heavy-chemical products from 52.1 percent to 55.2 percent.

The 1993 figure in Korea lagged far behind Japan's 82.3 percent in 1990, the sources said.

In particular, the localization ratio for the machinery sector such as general machinery and electric-electronics equipment, one of Korea's major export commodity groups, was slightly over 50 percent, the sources disclosed.

ROK: Customs Waiting Period for Imports Reduced to 2-3 Days

SK1307122196 Seoul THE KOREA ECONOMIC WEEKLY in English 8 Jul 96 p 4

[FBIS Transcribed Text] With the replacement of the export- import licensing system with the notification system effective from July 1 this year, customs clearance procedures will be drastically simplified.

In particular, importers will greatly benefit from the replacement in terms of customs-clearance costs and time, sources at the Korean Customs Service explained.

The period needed for customs clearance of import goods was shortened from the previous 15 days to 2-3 days on average.

Importers may make import notification to customs houses without bringing import goods into bonded areas and even prior to arrivals of import goods at Korean ports, the sources said.

Under the revised system, tariffs may be paid in within 15 days after the import notification is accepted by customs offices, and collateral for import goods may be waived for importers with good credit standings, the sources said.

Copied documents sent through facsimile machines may be recognized as original documents needed for customs clearance, and importers may pay tariffs for sample goods and imported items on a non-L/C [letter of credit] basis using a self-assessment.

ROK: Information Technology Exports Up 56 Percent in 1995

SK1307121896 Seoul THE KOREA ECONOMIC WEEKLY in English 8 Jul 96 p 9

[FBIS Transcribed Text] Exports by the nation's information technology industry were $24.7 billion last year, up 55.8 percent from a year before, generating a trade surplus of $10.76 billion, the Federation of Korean Information Industries (FKII) said.

The net figure was up from $5.61 billion registered in 1994.

A 36 percent increase to $13.93 billion was noted in imports by the information technology industry last year.

By segment of the industry, semiconductors and electronic elements topped the list of both growth rate and amount with 66.6 percent and $17.62 billion, respectively.

Exports of telecommunications devices rose by 25.3 percent to $2.39 billion.

On the contrary, PC exports declined for two consecutive years ending in 1995, posting a 27 percent decrease to $210 million.

In terms of exports, information technology business accounted for 19.8 percent of the nation's total industry, an increase from 16.5 percent in 1994.

ROK: Royalty Fees Among 'Significant Causes' of Trade Deficit

SK1507012596 (Internet) The Digital Chosun Ilbo WWW in English 1133 GMT 14 Jul 96

[FBIS Transcribed Text] Royalty fees payable in respect of foreign technology and brand names are rising rapidly and now constitute one of the significant causes of the trade deficit.

The Korea Industry Technology Promotion Association announced Sunday that last year $1.947 billion was payable in royalty fees, an increase by 52.5% over the previous year. The trend continues this year. According to Bank of Korea figures, by the end of May technology service fees, including royalties, totalled $1.297 billion, an increase of 13.3% over the same period last year.

When a Korean customer buys a domestic car, an average of 100,000 won leaves the country by way of royalty payment.

ROK: NKP Decides Not To Field Candidate in Nowon Elections

SK1307031696 Seoul YONHAP in English
0239 GMT 13 Jul 96

[FBIS Transcribed Text] Seoul, July 13 (YONHAP) — The ruling New Korea Party (NKP) decided Saturday not to field a candidate for a by-election in Seoul's Nowon Ward chief.

The NKP previously decided not to nominate any candidate for the by-election for the mayoral posts of Chonju, North Cholla Province, and Yochon, South Cholla Province.

The decision, reached at a high-ranking NKP postholders' meeting presided over by Chairman Yi Hong-ku, was made in consideration of the fact that for local autonomy to firmly take root in the nation, it should be freed from central politics, NKP Spokesman Kim Chol cited.

"On the occasion of recent by-elections and re-elections, public opinion is soaring that party nominations for administrative chiefs of cities, counties (kun) and wards (ku) should be suspended to develop the real local self-government."

A total of 16 administrative chiefs have discarded their party membership and declared themselves independent since the June 27 local elections last year, he added.

"Our party thus has decided to rectify such problems and to respect the will of local chapters and residents."

ROK Editorial Criticizes 'Big Boss' Politics

SK1807010496 (Internet) The Digital Chosun Ilbo WWW in English 1157 GMT 17 Jul 96

[Editorial: "The Problem With 'Big Boss' Politics"]

[FBIS Transcribed Text] The words and actions on the part of our National Assemblymen of late emit a very childish odor. Vigorous debate about matters of importance would be understandable but in this instance regrettably we are witnessing none other than a pathetic display of emotional confrontation which has resulted in the making of personal attacks by members of the leaders of the various parties.

The fact that attacks by members on each other have now virtually put an end to the possibility of the long-awaited summit conference between the leaders of the ruling and opposition parties vividly exposes the weak base of Korea's political system and the light sense of responsibility possessed by our politicians.

Objectively, the opposition parties have been the worst culprits to date. However Assembly question time criticism by a ruling party member of opposition leaders was also inappropriate behaviour. It should of course be borne in mind that the opposition parties had mounted equally vicious attacks on the leader of the ruling party during question time. Hence matters now having been evened up by Yi Sin-pom of the ruling party, the slate should be wiped clean and the politicians should return to the business at hand.

If the opposition members who are engaging in such political mudslinging reject the offer to participate in a leaders conference then they may be seen as overly greedy. Perhaps they have calculated that they have nothing to gain from a summit meeting which the ruling party may use as an opportunity to display a generous administration style and are using the comments by Lee as an excuse to avoid attending such meeting.

The two opposition Kims have failed, it seems, to estimate the damage they are doing to themselves. The crux of the matter is that the unruly behaviour by our politicians has come about due to the system of one-man leader politics that exists in Korea. Such a system originates from the environment brought about by the chronically insidious political practices of the three Kims whereby subordinates must run to the rescue of their esteemed leaders whenever they face criticism. This results in extreme disappointment by the people in the level of party politics in this country. This is the Kims' own loss.

There is nothing mature about the confrontations taking place between our politicians. They are forever going tit-for-tat and exhibiting child-like cross tempers. The members follow their bosses like gangsters in the back alleys. Why is it that so many bright intellectuals are unable to extricate themselves from such "big boss" politics? This problem is itself fundamentally more important than the issue of whether or not the summit meeting can be salvaged.

ROK: Kim Tae-chung, Kim Chong-pil Boycott Meeting Kim Yong-sam

SK1807080296 Seoul YONHAP in English
0616 GMT 18 Jul 96

[FBIS Transcribed Text] Seoul, July 18 (YONHAP) — President Kim Yong-sam's separate meetings with two opposition leaders, Kim Tae-chung and Kim Chong-pil, that were scheduled for Thursday and Friday [18 and 19 July] have been canceled due to a boycott by the opposition parties.

Kim Tae-chung, president of the main opposition National Congress for New Politics [NCNP], and Kim Chong-pil, president of the second largest opposition United Liberal Democrats [ULD], have rejected the meetings, demanding that the ruling New Korea Party [NKP] apologize for the "acrimonious" criticism dished out by freshman lawmaker Rep. Yi Sin-pom in his floor speech Monday.

It is feared that the political chill coming so soon after a month-long national assembly deadlock, will out off any substantive dialogue between the two sides for the time being, crippling the operation of the current extraordinary parliamentary session, analysts said.

It is also expected that the operation of the two parliamentary special committees investigating the alleged April general election fraud and legislative revisions to ensure fair and clean elections will be affected.

The rival parties delivered verbal barbs Thursday and shifted the responsibility for the aborted high-level political talks to the other side.

NKP Spokesman Kim Chol virulently attacked the two opposition leaders in a statement, saying, "The boycott of the Chongwadae [presidential offices] meetings by party Presidents Kim Tae-chung and Kim Chong-pil is an infantile political gesture that involves breaking a promise and deserves public censure.

"Their unilateral cancellation of appointments with the head of state because of criticism of their past is typical of outmoded political customs that sacrifice the public good in favor of personal sentiments."

NCNP Spokesman Chong Tong-yong countered in a statement, "How could President Kim Yong-sam advocate big politics based on two- faced political behavior, in which he invites the opposition leaders to meet, and then has a lawmakers mount a personal attack against them?"

A summit will only be possible after the appropriate steps are taken by the ruling camp, according to the NCNP, demanding that it apologize for Rep. Yi's remarks and withdraw its motion demanding that Reps. Yu Chae-kon and Han Hwa-kap of the opposition party be reprimanded.

Kim Chong-pil was quoted as telling ULD vice presidents, "We have demanded an apology from the perspective that no lawmaker should be allowed to make utterances in a parliamentary plenary session that degrade the prestige and authority of the national assembly. The summit meetings have been cancelled because the ruling party failed to accommodate the demand."

ROK Army Plans To Restructure Divisional Organizations

SK1307001996 Seoul THE KOREA HERALD in English 13 Jul 9 p 3

[FBIS Transcribed Text] The army plans to restructure the organization of infantry divisions to give them more mobility to meet the demands of modern war.

The number of soldiers for each platoon, company, battalion and regiment may be readjusted, and the total number of troops of an infantry division may be reduced a bit. Advanced weaponry, such as 155-mm self-propelled guns and K-4 guns, will be provided to them to beef up their firepower, an Army source said yesterday.

The restructuring will continue till the early 2000s. The plan for a "light and mobile Army" was reported at a meeting of major Army commanders held at the Army Headquarters, the source said.

Under the draft plan, the chain of command will be made simpler, so that each army unit will more effectively wage a battle, said the source.

But it has not been decided whether the Army will do without corps or a field army, according to the source.

ROK Developing Unmanned Aerial Vehicles for Surveillance

SK1807015796 Seoul THE KOREA TIMES in English 18 Jul 96 p 3

[By staff reporter O Yong-chin]

[FBIS Transcribed Text] South Korea is developing military surveillance-purpose unmanned aerial vehicles that are capable of intercepting enemy signals or spying on what transpires on the battleground with a view to field-deploying them by the early 2000s.

"The type of unmanned vehicles we are developing is RPVs, or remotely piloted vehicles, a sophisticated type of aerial surveillance equipment," a senior ROK Joint Chiefs of Staff [JCS] official said.

He said that the Agency for Defense Development, the state-run military research center, is responsible for their development, with some core technologies imported from France, Israel and the United States.

The official, however, neither confirmed nor denied when asked whether or not a test flight of its developed prototype was recently conducted as some speculated, only saying that military surveillance equipment and its development could be a sensitive issue.

"We expect RPVs to improve significantly our battleground surveillance capabilities and use them in case there arises a need to confuse enemy signals," he said. "They can be valuable assets to our military, especially in light of our lacking reconnaissance abilities."

According to weapons experts, RPVs can gain access and spy on the battleground under almost any weather condition without the fear of incurring the loss of the lives of pilots.

"There are many types and sizes of RPVs in accordance with operational requirements," one JCS weapons expert said. "I understand that the most advanced type is capable of relaying what transpires on the battleground by video on a real time basis. The biggest can fly for 24 hours."

He said this is why the United States and France have jumpstarted their related research following Israel, which concentrated on RPV development and had a headstart in the field.

ROK Decides To Import Rice To Stabilize Domestic Prices

SK1207031796 Seoul THE KOREA HERALD in English 12 July 96 p 8

[FBIS Transcribed Text] In a bid to stabilize local rice prices, the government yesterday decided to bring in 64,493 tons of foreign rice by August of this year.

The decision was made at a meeting of vice economic ministers, called to deal with ways to fight consumer inflation and presided over by Vice Minister of Finance and Economy Yi Hwan-kyun. The rice to be imported, which is equivalent to the minimum market access (MMA) quota under the World Trade Organization agreement, will contribute to pushing down the price of rice the government sells to wholesalers through auctions, the Ministry of Finance and Economy said.

The government will also import 25,000 tons of foreign oranges, or Korea's 1997 MMA quota, earlier than scheduled to stabilize domestic orange prices, the ministry said.

It will double its efforts to curb price increases of other farm products during summer holiday and rainy seasons, it added.

In line with its pledge to check consumer inflation under 4.5 percent this year, the government will also focus on fending off rises in prices of manufactured goods and public utility rates, it said.

ROK Editorial Criticizes Government Policy on 'Chaebol'

SK1807023096 Seoul THE KOREA TIMES in English 18 Jul 96 p 6

[Editorial: "Fast Growing Chaebol"]

[FBIS Transcribed Text] The Kim Yong-sam government since its inauguration in 1993 has called on the large conglomerates or chaebol to concentrate on selected core businesses. In response, the chaebol have announced streamlining programs to specialize in chosen key business lines promising to downsize if necessary to end their department store-like operations.

However, the chaebol have continued to grow fat. Year after year, they have intensified their grip on the national economy. They are so strong now that they exercise a large influence even in socio-political and other non-economic fields. Hence the nation is often infamously called "the Republic of Chaebol." In other words, the government policy of preventing the chaebol from growing further has failed.

A recent report by the New Industry Management Academy showed that the value added by the 30 biggest business groups totaled 57,750 billion won ($72.2 billion) last year, up 30.53 percent over the year before. This increase was more than twice the 15 percent inflation-unadjusted GNP growth rate, and as a result the chaebol accounted for 16.58 percent of the GNP last year, up 2.67 percentage points from the year before.

Of course, the chaebol, along with the government and the hard- working labor force, have played a key role in developing the economy. But, even now as the nation is reaching economic maturity, they remain strong with the government continuing to offer them new opportunities to expand their business territory.

According to some recently announced policies, the government will ease credit control on the top 10 conglomerates to get them to take part in major infrastructure projects and the construction of tourism facilities. Thus the government's assurances it will curb chaebol growth are conveniently forgotten whenever the authorities feel the need to use their immense capabilities.

The chaebol are likened to an octopus which with its tentacles reaches out and grabs profits wherever they may be. Their Japanese counterparts, the zaibatsu, also played a key role in achieving the fabulous economic development of that nation. Unlike Japan's large business groups, however, the Korean chaebol are owned and managed by their founders' families.

The chaebol set up as many subsidiaries as they can. They have encroached on the turf of small companies, and taken them over. The economic world should not be a jungle where the name of the game is survival of the biggest.

The government still has tools, including taxes and fair trade rules, to have the chaebol conduct in ways that will allow them to better contribute to the national well-being with their capital power and business expertise. It should use them in more efficient ways.

ROK: Railroad Administration Studies East Coast Railway Plan

SK1207112496 Seoul YONHAP in English 0651 GMT 12 Jul 96

[FBIS Transcribed Text] Seoul, July 12 (YONHAP) — The National Railroad Administration (NRA) announced Friday that it is studying a plan to construct a railway extending up the nation's east coast from Pohang, North Kyongsang Province, up to the unification observation pavilion at Kosong, Kangwon Province, after 2000.

The railroad would consist of a 182-km line connecting Pohang to Samchok and another running 107 km from Samchok to Kosong via Kangnung and Sokcho. The railroad line will be extended up to the North Korean port city of Chongjin through Wonsan after national reunification.

The NRA is considering building double-tracks for the line and eventually connecting it to the one connecting Pohang, Ulsan and Pusan.

Double-tracks will be built on the 74.9-km line connecting Ulsan to Pusan by 2000 at a total cost of 58 billion won (71.6 million U.S. dollars). The design for the Ulsan-Pusan line is scheduled to be finished before the end of next year and construction is slated to begin in 1998.

ROK Plans To Foster Development of Electronic Home Appliances

SK1007013696 (Internet) The Joong-Ang Ilbo WWW in English 10 Jul 96

[FBIS Transcribed Text] The South Korean government decided to concentrate on fostering the development of next-generation state- of-the-art electronic home appliances including digital video disc (DVD) which uses a disc instead of a tape, high-definition TVs, wide TVs and digital camcorders. The government and the industry will jointly provide 120 billion won in a technology development fund over the next five years so that Korea can commercialize high- definition and large capacity DVDs at the same time as Japan, minister of trade and industry Pak Chae-yun stated at a consultation meeting between the administration and the industry held Monday at the Korea Chamber of Commerce.

The world market for digital DVDs is expected to reach a total of 120 billion dollars by the year 2000.

ROK: Prime Minister Urges 'Extreme' Measures To Counter Crime

SK1007011496 (Internet) The Digital Chosun Ilbo WWW in English 1203 GMT 9 Jul 96

[FBIS Transcribed Text] The Prime-Minister, Yi Susong, said Tuesday that the government will with exceptional will and resolution take measures to counter sex, environment and drug crimes.

Yi, in his State of the Nation Address delivered in the National Assembly, said that the government will take extreme measures to prevent crimes of an anti-social nature from occurring including organized violence and crimes which threaten people's private lives and assets. Yi said that the government is taking various measures at all levels of government in order to make an environment in which children are protected from violence, traffic accidents and bad foods and medicines. He said too that the government will sternly deal with those [as published]

ROK Editorial on Increasing Crime Rate by 'Foreigners'

SK1507012496 (Internet) The Digital Chosun Ilbo WWW in English 1129 GMT 15 Jul 96

[Editorial: "Surging Foreigners' Crime Rate"]

[FBIS Transcribed Text] Foreigners' crimes in this country have exceeded 4,000 every year since 1993. Many of these crimes, such as murder, burglary, theft, and violence, are not isolated, simple and sudden occurrences but are organized in groups. Recently, banks and jewelry shops have become the favorite targets of foreign thieves.

If these institutions' security systems appear easy to outsmart then we have a major problem on our hands. It may mean that the criminals have undermined our public authority. More serious is the fact that there is a strong possibility of connection with international crime organizations.

This is particularly evident in respect of crimes such as drug smuggling, fabricating credit cards and counterfeiting operations. The police estimate crime organizations in Southeast Asian countries have been increasingly infiltrating our country either as a main area of attack or a stepping stone to a third country.

It is urgent that we strengthen our police force's ability to deal with these criminal activities. Police explain that each police station has a section equipped to deal with international crime and special police to deal with foreigners in major cities and that there is also police-prosecutor joint co-operation in this regard.

A stronger system is needed such as a Special Police Task Force. We have more than 100,000 foreign workers in our country. They are vulnerable to being enticed into crime as many of them are working illegally or experience instability due to unpaid wages mounting.

Brunei, Malaysia & Singapore

Malaysia

Malaysia: Analyst Previews WTO Ministerial Meeting

BK1807095396 Kuala Lumpur THE STAR in English 18 Jul 96

[Third Part of "Focus: Earth Trends" by Martin Khor: 'North Adopting Double Standard'" — received via Internet]

[FBIS Transcribed Text] Several participants at the Kuala Lumpur conference on The WTO [World Trade Organization]: Perspectives of the South last week were critical of attempts of the North to place new issues on the WTO trade agenda.

Dr Vandana Shiva, director of the Research Foundation Science, Technology and Natural Resources Policy (India), criticised the North for its double standard.

Although the North was projecting itself as ecological champions by bringing environmental issues into the WTO, she said it had in fact diluted and defanged the fora where global environmental issues were meant to be resolved, including the Biodiversity Convention and the Climate Change Convention.

There are two functions served by linking trade and environment: to justify unilateral trade measures; and to deflect the interests and actions of environmental groups away from the national level by blaming the poorer countries for the global environmental problems.

The real challenge is to bring about an appropriate governance system to protect the environment.

There are three requirements for this: the appropriate venue or platform; appropriate instruments; and appropriate economic units on which to apply policies and measures.

Dr Vandana said the Northern approach to the environment is inappropriate on all three counts.

On the issue of platform, there was the danger that Northern proposals to amend Article 20 of GATT to allow exclusions to GATT rules for the environment would facilitate "green protectionism" rather than protect it.

Instead of taking more effective environmental measures at home, the North is likely to shift the burden to the South through the use of new trade measures which it hoped to take by getting new Article 20 exemptions from the GATT system.

On the issue of instruments, there was a negative trend of Northern-led moves to downgrade and dismantle the use of the EIA [environment impact assessment] and in its place to make increasing use of "environmental standards".

Power over environmental issues is shifting away from governments (as environmental laws and the EIA are weakened) and towards arbitrary standard setting bodies, including for eco-labelling.

This kind of standard setting is ineffective to prevent or contain the social and environmental harm caused by foreign companies, for instance in the mining and oil sectors.

Moreover, the international standards are being set by undemocratic bodies such as Codex Alimentarius and the International Standards Organisation (ISO), which are generally controlled by Northern corporations.

Dr Vandana warned that the simplistic setting of standards was being done with the aim of market capture, to create market access in the South for Northern corporations.

She suggested that in preparing for the Singapore conference, the South should propose a positive environmental agenda that did not require new WTO trade measures.

It could make the case that unilateral instruments such as the US Super 301 legislation are causing environmental destruction, and demand that a social and ecological audit be made of such unilateral measures.

The South should also raise concerns over the negative effects of harmonised global standard setting, and propose instead that a strengthened EIA process at national level be preferred.

Finally, the point should be made that if the North was really concerned about the environment, it would not push so hurriedly for a multilateral investment agreement [MIA] as the MIA would accelerate deregulation, and likely weaken environmental assessment over foreign investments.

Ambassador Munir Zahran, Egypt's representative to the WTO, recalled that the environmental issue was imposed onto the WTO during the last phase of the Uruguay Round with the argument that those who would oppose it would bear responsibility for the Round's failure.

When a couple of developing countries intimated that they could be open to discuss the issue, though not to negotiate, this was taken up by some Northern countries to interpret that "a consensus is emerging" and thus that the issue could enter the WTO.

Thus, when two countries made a plea for a study of the issue, the North claimed that a "consensus" had emerged.

Zahran said after a year of the trade and environment work programme, developing countries remained unconvinced.

They were also concerned that the eco-labelling issue could be a prelude to introducing environmental standards such as PPMs (process and production methods) into the WTO.

A Malaysian business leader raised the problem of "technology hijacking" in which transnational corporations [TNCs] were able to gain patents over products or processes that originated in the South, for example biological materials.

Some TNCs were also selling outdated and second-hand technology in the guise of new clean technology.

On the new issues, he said developing countries should ensure that they be avoided as the stronger countries have the upper hand.

For example, whilst the US blamed Southern governments for corruption. American companies were contributing heavily to both the Democratic and Republican Parties and getting favours in return.

How could there be a "level playing field" for businessmen from the South?

On competition policy, he feared that Northern countries would use this issue to break up the domestic distribution channels that local firms had built-up.

"Is it wrong to expect our own distributors that we have been nurturing, to be loyal to us?" he asked.

Concerns were also raised that should there be agreement that an "educative process" or "study group" (or even "exchange of information") be set up merely discuss a new issue, this would start a process that would lead to a working group and eventually negotiations for a legally-binding agreement.

Such an initial agreement could thus be tantamount to being at the start of a "slippery slope", a "creeping encroachment" or even a "journey of no return."

Thus, even an "educative process" or "study group" should be strongly resisted.

Zimbabwe's Ambassador in Geneva, Dr T. Jokonya, stressed that with so many pressing and "incredible" problems faced by the developing countries in adjusting to the Uruguay Round, it was impossible now to talk about the new issues. To do so at the Singapore meeting would be like converting the WTO into a club of the rich.

In response to points raised, Chakravarthi Raghavan, chief editor of the SUNS [South-North Development Monitor] bulletin, who presented a paper on The New Issues and Developing Countries, said after eight years of negotiations, the Uruguay Round finally ended with each country concluding that there was a balance of rights and obligations.

Now the Northern countries were bringing back some of the same issues which they had failed to include in the Uruguay Round accords, "this time in a new jacket, like old wine in new bottles".

The South can rightfully argue that since the new issues upset the delicate balance attained in Uruguay Round, these issues should not be allowed into the WTO.

"There can instead be a free and open discussion of these new issues at UNCTAD [United Nations Conference on Trade and Development]. At the end of the process, it can be decided that if there is an issue or aspects of an issue to be taken up by the WTO, then a note can be sent to the WTO suggesting which aspects could be discussed at the WTO."

Raghavan said the Missions in Geneva had the task of safeguarding the interests of their countries. Since they were overstretched, representatives of developing countries are forced to think on their feet and to constantly react to proposals from the North.

"The developing countries can justifiably say they need more time for reflection. Since we have just finished the Uruguay Round, and there is a balance in the results, there cannot be anything new to upset this balance," he said.

Singapore

Singapore: Article Calls on West To Support Two-Tiered ASEAN

BK1807061496 Singapore BUSINESS TIMES in English 17 Jul 96 p 6

[Article by Yang Razali Kassim from the "ASEAN Watch" column: "The Burden of Growing Big"]

[FBIS Transcribed Text] When ASEAN meets this week, the one big task confronting it — bigger than Myanmar [Burma] — is how to preserve the group's internal cohesion even as it expands and shapes a new power balance in the region.

Proven and tested as a credible force, ASEAN has been extending its influence. It is emerging as a prime-mover in helping to craft a 21st century equilibrium among the major Asia-Pacific powers.

Neighboring states are scrambling to join the group, with the latest being Myanmar.

Key trading partners are also coalescing around it; they just don't want to be left out of ASEAN-initiated processes, such as the security-based Asean Regional Forum (ARF).

Indeed, China and Russia have successfully won for themselves the status of full dialogue partners this year. Even India has been brought into the Asean dialogue process.

The gravitation towards ASEAN at the two levels are producing clashing effects on the group. While it boosts ASEAN's prestige further, it is also putting a lot of strain on the group. ASEAN needs to handle this problem of success carefully.

The test of ASEAN's adroitness will become more acute when Myanmar is admitted this week as an ASEAN observer, amid protests and threats from ASEAN's Western partners who will also be in Jakarta.

With this, ASEAN is putting its credibility further on the line. But the inclusion of Myanmar, expected to be made a formal member within three years, is inevitable. Without Myanmar, the idea of an ASEAN 10 will not be complete. Cambodia and Laos are already observers; Vietnam is the first Indochina state to be absorbed into the non-socialist ASEAN orbit.

But there is no guarantee that the Myanmar regime, having linked up with the group, will succumb to Asean's "quiet diplomacy" and come to peace with its own people.

So it is a big risk that ASEAN is taking. Myanmar will not be forgiven if it gives cause for ASEAN to lose face.

But is Myanmar the most fundamental issue in Jakarta?

Not really. The big problem facing ASEAN now is how to accommodate the "new members" without diluting ASEAN's original core. What is the best way to integrate and grow at the same time, without eroding group cohesion?

Would a two-tier ASEAN do the trick?

There is no question of reversing the integration now. So one way is to allow Cambodia, Laos, Myanmar and even Vietnam more time adapt within ASEAN and grow along a second track.

It's not just for them. If this need for gradual change is not accommodated, the new generation of member states may weigh down the pace of growth of the original ASEAN.

And so enter the Mekong Basin development project — the cornerstone of ASEAN's two-tier approach towards South-east Asian integration.

The Mekong project holds much promise. Led by the first-tier ASEAN states for the benefit of the second, it has the support of Asia's investing nations, including Japan and South Korea.

But the Mekong project should be supported by the West if it believes in promoting freedom and democracy.

The project can quicken the pace of change in the second-tier ASEAN states and help them ride along the free market wave.

The more rapid the economic changes they enjoy, the quicker they will move towards political reform. The same holds true for Myanmar. ?Pressuring Western investors to pull out of the country satisfies immediate political goals; but it does not necessarily advance the long-term cause of human rights.

ASEAN's Western partners should understand that an isolated Myanmar would do no good to anyone. Vietnam was isolated and condemned by the West until it joined ASEAN last year.

The West has learned to accept Vietnam in ASEAN today.

There is no reason why the West cannot similarly accept Myanmar, as a future ASEAN state, and allow Asean to deal quietly with Yangon's [Rangoon] need for political reform.

Singapore: Premier Goh Accepts Invitation To Visit Philippines

BK1807065496 Singapore THE STRAITS TIMES in English 18 Jul 96

[Report by Edward Tang — received via Internet]

[FBIS Transcribed Text] Prime Minister Goh Chok Tong has accepted an invitation from President Fidel Ramos to visit the Philippines, its Foreign Secretary, Mr. Domingo Siazon, said yesterday.

The invitation was conveyed in a letter from Mr. Ramos that Mr. Siazon handed to Mr. Goh yesterday when the two met.

Mr. Siazon told reporters that Mr. Goh had accepted the invitation "in principle". As to the date of the visit, he said: "Mr. Goh had indicated several preferred timeframes but the final date would have to be worked out mutually through diplomatic channels."

He described ties between the two countries as back on "normal track" after they were strained by the hanging last year of Filipino maid Flor Contemplacion for murder.

But he said that more effort would have to be put in by both countries to "beef up the relationship", which he said had been slow in developing because of historical reasons.

He said Singapore had spent more time in its early years building its ties with Malaysia, Indonesia and the Commonwealth countries while the Philippines had traditionally been closer to the US.

The prospects for future Singapore-Philippine relations, he said, were bright because of strong trade links. Singapore is the third largest trading partner of the Philippines after the US and Japan.

The Foreign Secretary, who is also the first senior-level Philippine official to visit Singapore after the normalization of relations in April with the exchange of ambassadors, said that the Contemplacion case had given both countries better insights to deal with such problems should they arise in the future.

On the problems faced by Filipino maids here, he was optimistic that these would be reduced following an understanding reached by the government with recruitment agents to employ maids only from authorized agencies.

He was also encouraged by the assurance of the Singapore Government that it would use its laws to protect Filipino maids who were abused.

Mr. Siazon, who is here on four-day visit, will meet Minister of State for Trade and Industry Goh Chee Wee today and leaves tomorrow for Jakarta to attend the ASEAN Ministerial Meeting.

Singapore: Official Says Two-Party Political System Not 'Effective'

BK1807074496 Singapore BUSINESS TIMES in English 18 Jul 96

[Report by Chuang Peck Ming — received via Internet]

[FBIS Transcribed Excerpt] Singapore cannot have an effective two-party political system because it already has difficulty producing one good cabinet of ministers, Deputy Prime Minister Lee Hsien Loong said last night.

To produce two sets of cabinets in a two-party system, with one ruling and the other on standby, would suggest there must be a compromise in standards, he said in response to questions from National University of Singapore students at a Democratic Socialist Club forum on the challenges for the new generation.

BG [Brigadier General] Lee said the choice for Singapore was thus between a system with a mediocre government and an equally mediocre government-in-waiting, and one where a dominant but good team is in power.

Singapore has opted for the latter, he said. "So we go for a team and change anyone in there that's no good, but we don't change the team."

Singapore could not afford to have a second-rate government that comes with a two-party system, because of its handicaps as a small country without resources, BG Lee said.

The bad experiences and constant disruption of government in other countries with a two-party system have also shown that the system is undesirable, he said.

But he added that he could not say for sure that Singapore's one dominant party system would continue to work. Corruption, he noted, has brought down such a system in Japan and Italy. Thus, in order for the Singapore system to carry on, the government must stay honest and capable. [passage omitted]

Cambodia

Cambodia: Khieu Comments on Aid Conference in Tokyo

BK1807102496 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 17 Jul 96

[Interview with Khieu Samphan, prime minister of the Provisional Government of National Union and National Salvation and chairman of the National Union Party, by an unidentified station correspondent; place and date not given — recorded]

[FBIS Translated Text] [Correspondent] My respects to Your Excellency the prime minister. Recently, the Provisional Government of National Union and National Salvation [PGNUNS] announced that the countries giving money to the two heads are war criminals, killing the Cambodian nation and people, and that those who have stopped financing them have earned the gratitude of the PGNUNS and the Cambodian nation and people. Could you elaborate?

[Khieu] Yes, this constitutes the scream of the entire Cambodian nation and people, who are the victims of the war of aggression that has been continued by communist Vietnam and its out-and-out lackey puppets for 17 years.

This is the scream of the over 7 million Cambodian peasants in the countryside, who have been victimized by the nation-betraying two heads and the millions of Vietnamese who have robbed them in a wholesale manner. The peasants have also been victimized by dishonest foreign merchants, who have blatantly robbed them of millions of hectares of land. This has seriously affected (?the peasants) and caused them to suffer and lose their land, rice fields, and orchards over a period of 17 years. The peasants have also been deprived of the rivers and lakes in which they used to fish and the forests from which they used to collect resins, pluck vines, and cut bamboos to make a living. They have struggled against the communist Vietnamese war of aggression to demand the restoration of genuine peace and national reconciliation.

This is the scream of the Cambodian nation and people from all other social strata in Phnom Penh and the provinces.

This is also the scream of FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia], ANKI [National Army of Independent Cambodia], His Excellency [H.E.] Son Sann and his Buddhist Liberal Democratic Party, and H.E. Sam Rangsi and his Khmer Nation Party, which have been victimized by this guy Hun Sen, an out-and-out lackey and puppet of communist Vietnam, who kills them every day. Those parties and people have been struggling within the enemies' perimeters according to their concrete situation so as to put an end to the communist Vietnamese war of aggression, and demanding the restoration of genuine peace and national reconciliation.

[Correspondent] What is your opinion about the recent Tokyo meeting?

[Khieu] Yes, this year's Tokyo meeting was held in a situation in which a most serious problem has arisen and become increasingly crucial for communist Vietnam, the United States, and other Western allies. It is the problem concerning the collapse of the two heads. This problem has caused communist Vietnam, the United and States, the Western allies to be scared out of their wits.

[Correspondent] How worried does communist Vietnam feel?

[Khieu] Yes, communist Vietnam has been faced with the following problems:

From 1979 to 1991, communist Vietnam's strategy of swallowing up Cambodia through military war was defeated. Communist Vietnam implemented the strategy of waging a combination of military and demographic wars by painstakingly sending millions of ethnic Vietnamese to swallow up Cambodia. The strategy has been conducted for almost five years since 1993. Communist Vietnam needs another five years to continue its military war in order to withstand the resistance forces of the Cambodian nation and people and inject the ethnic Vietnamese into Cambodia. Anyway, to further the military war to withstand the resistance forces of the Cambodian nation and people, communist Vietnam must also fight the United States and other Western allies. The key for it to obtain more money from the United States and other Western allies is that communist Vietnam has to preserve the two heads. As the two heads are only figureheads, power is exercised exclusively by communist Vietnam and its puppets. This constitutes a major problem for communist Vietnam:

1. Because it is not the two heads who have been defeated on the military battlefield, but it is the entire two-headed regime that has lost in all fields and sectors and sunk. In Phnom Penh the opposition forces have not diminished even though the two heads have cracked down on them. In the countryside, the two heads' administrative networks in villages and communes have also disintegrated. The two heads are no longer able to conscript soldiers and militiamen and dare not deploy puppet troops in villages and communes. The troops have fled to major positions and hidden themselves there. A large part of their militia forces has been dissolved. As soon as they move out of their positions, they are fiercely attacked by the national and people's forces; so it is impossible for them to withstand the movement of the poor peasants, who are in the process of dismantling their village and communal administrations. The situation has further adversely affected the two-headed regime in Phnom Penh and provinces in all fields and sectors.

Following their strategy of securing a monopoly for another term so as to swallow and wolf down Cambodia, communist Vietnam and its puppets do not want to share power with FUNCINPEC in accordance with the results of the elections organized by UNTAC [UN Transitional Authority in Cambodia] in 1993. On the contrary, they are trying to destroy FUNCINPEC, especially ANKI — the armed forces of FUNCINPEC — once and for all as of 1996 so there will be no force standing in their way during the 1997 [local] elections and the 1998 [general] elections. Therefore, the two-headed regime, which has already openly divided, will divide further. This is the major problem for communist Vietnam.

[Correspondent] Yes. What is the problem for the United States and other Western allies?

[Khieu] Yes, the problem for the United States and other Western allies is that communist Vietnam has destroyed their forces. FUNCINPEC is already half dead; it is now breathing its last. As for the forces belonging to H.E. Son Sann's party, their numbers have increasingly declined.

Can the United States and other Western allies help stop communist Vietnam and its out-and-out lackey puppet Hun Sen from destroying FUNCINPEC, the ANKI, and the Para of H.E. Son Sann and the forces of H.E. Sam Rangsi's party once and for all? Can they save those forces?

The United States and other Western allies have no more forces in Cambodia, and it is not possible for the UN forces to come again, because the United Nations has already run out of money. Moreover, the United Nations can no longer deceive anybody and send (?troops) to Cambodia as they did to Bosnia. So what should be done? This is the problem, the most serious problem that arose in Tokyo this year. In the coming years, the problem will become more and more intense. So should the two heads be left to be used by communist Vietnam and its puppets to destroy the forces of the United States and the Western alliance?

[Correspondent] Yes. What can the United States and the other Western allies do to solve the problem?

[Khieu] It's up to them to find a solution. However, we can conclude that:

1. If the United States and the other Western allies continue to give money to communist Vietnam, they will lose to communist Vietnam.

2. So the issue of aid to the two heads has now become a problem. It can no longer be problem-free. The pledge of aid is one matter while the actual provision of aid is another. Developments in the situation from one season to another do not encourage giving aid as pledged, and the pledge was also made in a flippant manner.

3. No matter how much money is given by the United States and the other Western allies, the two heads can never be saved. Look! since 1993, the United States and the allies have given away many billions of dollars, but the two heads are continuing to suffer great losses. Now, the two heads are agonizing and faced with the most serious crises and conflicts in all fields and sectors. On the battlefield, the two heads have no troops left to launch large-scale operations to oppose the national resistance forces and PGNUNS and to kill the Cambodian nation and people as in the previous years. They have no troops and officers left, and they can no longer conscript new soldiers as before. The poor peasants — who have led the most miserable life; who have been deprived of land, rice fields, and orchards; who have starved to death; and who have been separated for 17 years — have now become extremely furious and begun to struggle. They have no choice but to struggle for their survival. They struggle to destroy and mop up the enemy village and communal administrators, thus liberating their villages, communes, land, rice fields, and orchards. They are also struggling to prevent at all costs the two heads from drafting peasants as soldiers and militiamen to fight, kill the nation and their fellow peasants, and die in their place. Since the peasants have refused to serve as soldiers and militiamen and defied their orders for them to go fighting and die, where can the two heads get troops to fight further? This will certainly cause the old and new enemies to fail and bring an end to the race-exterminating communist Vietnamese war of aggression and the war waged by the alliance. It will not always be possible for Communist Vietnam to swallow up Cambodia with impunity, and it will not always be possible for the alliance to use money and modern weapons and collude with communist Vietnam to continue fanning the flames of war to kill the Cambodian nation and people with impunity.

[Correspondent] Yes. Before concluding this interview and saying goodbye, do you have anything else to say?

[Khieu] Yes, thank you madam, the representative of the PGNUNS radio. I wish to express more opinions as follows:

1. I wish to call on our entire nation and people and the whole world to listen to the screams of the peasant grandmothers, grandfathers, and aunts who have recently complained about their sufferings in Phnom Penh. While the meeting was being held in Tokyo, peasant grandmothers and grandfathers — despite their being 70 or 80 years old and having bad eyesight, despite their falling down and causing their arms and legs to bleed, and despite their walking through the rain and in the sun — and peasant women who had given birth just 20 days before no longer cared about their pains and health. They came to Phnom Penh to air their grievances. Where were they from? They were from Prey Veng Province. What were the screams made recently by those peasants; by the peasants from (?Koul) village in Svay Rieng Province, where the poles of their houses and the houses of their relatives had been cut down by the Vietnamese; and by the women from Kompong Cham Province, Phnum Sruoch District in Kompong Speu Province and Chaom Chau near Phnom Penh the other day about the communist Vietnamese puppets' administrators, army, and police robbing their land, rice fields, and orchards? What was the scream of a wretched, homeless, middle-aged woman who travelled from the countryside with her young children, who slept on the sidewalks in Phnom Penh, and who was kicked and beaten by the

soldiers of communist Vietnam's out-and-out lackey puppets? What were those screams? They were the screams of the Cambodian peasants throughout the Cambodian rural areas. What did they scream about? They screamed that the communist Vietnamese war is aimed at exterminating the Cambodian race and killing the peasants. They screamed at those at the Tokyo meeting who lied through their teeth that the financial aid is for Cambodia's development. They screamed: It is a lie, it is a lie!

Part of the hundreds of millions of dollars that they have given to the two heads for three years has already been purloined by the two heads and Hun Sen, the out-and-out lackey puppet of communist Vietnam, and his communist Vietnamese master. The rest has been used to continue the war to kill the Cambodian nation and people. The United States and the allies have done nothing but continue to fan the flames of the communist Vietnamese war to kill the Cambodian nation and people. Accordingly, the peasants screamed out. As for our nationals from other social strata and our national political figures, they have already spoken out and written to tell the United States and the allies about what has really been happening. They have been aware of everything. Those people have painstakingly screamed and written in their own languages and according to their own concrete situation, because they are all in the two heads' intestines. But it seems the screams and writings are in unison, an unique scream, as I just said. It is a scream demanding that the communist Vietnamese war of aggression be put to an end and genuine peace and national reconciliation be restored.

2. As I just explained, even if the United States and the Western alliance strive to give money to the two heads, their efforts will be hopeless. Both the two heads, the out-and-out lackeys of communist Vietnam, the United States, and the Western alliance, and their old and new masters are being entangled in the most serious conflicts. They can in no way free themselves. Should they persist in further fanning the flames of the communist Vietnamese war of aggression, they will certainly become more and more entangled. To avoid such a situation, they have to stop giving money to the two heads. However, it is up to them whether they want to stop or not. The Cambodian nation and people have already struggled. They have continued their struggle, achieved successes one after the other, and bolstered their confidence in their own forces.

3. The Cambodian nation and people have also clearly seen that the overwhelming majority of the countries and peoples in the world and the region have opposed the communist Vietnamese war of aggression. They want Cambodia to achieve peace, national reconciliation, security, and stability and be endowed with a liberal democratic regime and a free-market economy in response to the wishes of the Cambodian nation and people from all social strata. This will allow the Southeast Asia and the Asia-Pacific region to enjoy stability and to have business contacts in security. This is also to allow the whole region to prosper and each country to build itself and develop further. We wish to profoundly thank those countries and peoples.

4. Most importantly, our nation and people have already clearly separated friends from foes, good from bad, patriots — who are with the nation and people under all circumstances and who join the nation and people to struggle at all times to save the nation and people — from those who collude with communist Vietnam to continue the communist Vietnamese war of aggression to kill the Cambodian nation and people, who betray and sell out the nation, and who are willing to serve as the out-and-out lackeys of communist Vietnam and the alliance.

It will not always be possible for the old and new enemies and their out-and-out lackey puppets to use the Khmer Rouge, human rights, humanitarian, and democracy labels, and so on to confuse and blur the situation. This is the force of our nation and people. This is the light of our nation and people from all social strata, who have to join hands to move forward with a view to ending the race-exterminating communist Vietnamese war of aggression and achieving genuine peace and national reconciliation. The elders say: The dog may bark, but the procession keeps moving forward.

Indonesia

Indonesia: Jakarta, Paris Sign Protocol on $48 Million Loan

BK1707131496 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 17 Jul 96

[FBIS Translated Text] The French Government has extended a first-phase loan amounting to 247 million francs or $48 million to be used to finance a number of projects in Indonesia this year. Indonesian Foreign Minister Ali Alatas and French Economy and Finance Minister Jean Arthuis signed a protocol on the financial aid on behalf of their respective governments.

Speaking after the signing ceremony at the Department of Foreign Affairs at Pejambon, Jakarta this afternoon, Minister Alatas said the loan would be used to finance the rehabilitation of television transmitters in 21 areas, the construction of a 150-kilovolt main power station in South Sulawesi, the construction of the (Pisangan) IV [Roman four] Hydroelectric Plant, and the rehabilitation of drainage pumps in Greater Jakarta.

Meanwhile, the French economy and finance minister said the two countries had undertaken economic and development cooperation since 1975. Since then, France has extended loans totaling 16 billion franc to Indonesia.

According to Arthuis, the French Government is very interested in the development of energy, telecommunications, and communications in Indonesia.

Indonesia: Finance Minister Meets French Counterpart 17 Jul

BK1807100696 Jakarta REPUBLIKA in Indonesian 18 Jul 96

[Unattributed report — received via Internet]

[FBIS Translated Text] Jakarta — France is ready to increase its investment and financial aid to support Indonesia's economic development. The commitment has demonstrated France's efforts to enhance bilateral and multilateral relations and cooperation, particularly in the economic field.

"The French Government will urge French businessmen to invest in Indonesia," French Economy and Finance Minister Jean Arthuis said after meeting Finance Minister Mar'ie Muhammad at the Department of Finance yesterday. Earlier, France and Indonesia had signed a protocol on financial aid to Indonesia.

He considered very appropriate the Indonesian Government's policy of creating a business climate favorable to investment. Accordingly, France will try to increase its investment in Indonesia. Nevertheless, Arthuis did not reveal the amount of current investment by French businessmen in Indonesia.

The French Government will also increase its financial aid to Indonesia. The financial aid will serve as supplementary funds to finance certain projects.

Finance Minister Mari'ie Muhammad said the French delegation's visit was designed to enhance economic cooperation. "This is in the framework of enhancing Indonesian-French relations bilaterally and multilaterally," Mar'ie said. According to him, France has actively given aid to Indonesia through the IGGI [Intergovernmental Group on Indonesia, which was abolished in 1993], and the CGI [Consultative Group on Indonesia].

Arthuis is scheduled to be received by President Suharto today. In addition, he will also hold a series of meetings with Hartarto, coordinating minister for production and distribution; Saleh Afiff, coordinating minister for economy, finance, and development supervision; and Ali Alatas, minister of foreign affairs. Bilateral cooperation as well as international financial issues, including the results of the last G-7 [Group of Seven] summit meeting in Lyons, will be discussed during the meetings.

The current visit follows the talks between President Suharto and French Foreign Minister Herve de Charette in February and the visit of Bruni Durieux, President Jacques Chirac's special emissary on the G-7 affairs, to Indonesia in May 1996 respectively. Arthuis added that, prior to the end of the year, France would host meetings of businessmen and finance ministers from countries that took part in the inaugural Asia-Europe Meeting .

Indonesia: French Minister Views Jakarta's National Car Policy

BK1807134596 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 18 Jul 96

[FBIS Translated Text] France regards Indonesia's national car policy as absolutely necessary during a transition to a free trade system in the world. Speaking during a news conference in Jakarta today, Jean Arthuis, French economy and finance minister, expressed the hope that his country could be involved in aspects of the national car program such as technological cooperation. The news conference was on the agenda of Arthuis's visit to Indonesia, which began yesterday.

He held talks earlier with President Suharto and a number of ministers, including the minister of finance, the coordinating minister for economy, finance, and development supervision, and the coordinating minister for production and distribution.

Indonesia: Navy Conducts Second Joint Exercise With Brunei

BK1807102396 Jakarta TVRI Television Network in Indonesian 1000 GMT 17 Jul 96

[FBIS Translated Text] The Indonesian and Bruneian Navies have conducted their second week-long joint exercise in Brunei's waters. Codenamed Melang Laut 296, the joint exercise included the participation of two Indonesian fast patrol ships, namely KRI [Ship of the Republic of Indonesia] Ajak and KRI Kerapu. Four Bruneian Navy ships — Waspada, Satria, Penyerang, and Perwira — participated in the joint exercise. The exercise included several sea maneuvers, firing practice, and logistics.

Indonesia: Military To Assist in PDI Headquarters Takeover

BK1807105396 Jakarta MEDIA INDONESIA in Indonesian 18 Jul 96

[Unattributed report — received via Internet]

[FBIS Translated Text] Jakarta (MEDIA) — The ABRI [Armed Forces of the Republic of Indonesia] will assist Suryadi, chairman of the PDI [Indonesian Democratic Party] central executive board elected by the congress in Medan, to take over the PDI headquarters at 58 Diponegoro Road in Jakarta, which currently remains occupied by followers of the faction loyal to PDI leader Megawati Sukarnoputri.

Lieutenant General Syarwan Hamid, chief of ABRI sociopolitical affairs, said this after he attended a panel discussion in Jakarta yesterday organized by the Institute of Economic and Social Research, Education, and Information entitled: "Review of the New Order's Political Format."

Speaking to reporters, Syarwan said the government had given the party headquarters located on Diponegoro Road to the PDI for party activities. On behalf of the government, the Home Affairs Department recently announced that it recognizes Suryadi as the legitimate leader of the PDI central executive board. Therefore, the board is entitled to occupy and work in that office.

Reporters asked Syarwan Hamid: "Will ABRI assist Suryadi to take over the office?"

"If there is anything we can help, we will do it. Of course, it must not violate any existing laws," Syarwan said. [passage omitted]

Indonesia: Ex-Military Officer Barred From Visiting Supporters

BK1807110896 Jakarta THE JAKARTA POST in English 13 Jul 96 p 1

[Unattributed report]

[FBIS Transcribed Text] Yogyakarta (JP) — Bambang Triantoro, the former Army general behind the July 1 petition criticizing the government, and Guruh Sukarnoputra were ordered to leave the city by the military yesterday and barred from addressing their supporters.

Bambang and Guruh were allowed to visit the cemetery of General Sudirman and pay homage to the national hero, who is regarded as "the father of the Indonesian National Army". They also visited the widow of Sudirman.

Friends said Bambang and Guruh headed for Surakarta rather than risk a confrontation with the military, which had been shadowing their activities since their arrival in the morning.

News about their intention to pay respects at Sudirman's tomb spread across town so quickly that thousands of people had already gathered at the local headquarters of the PDI [Indonesian Democratic Party] as well as the airport when they arrived.

Bambang, who once served as the Armed Forces chief of sociopolitical affairs, led dozens of prominent statesmen in the signing of the petition expressing concern with increasing political violence and repression of democracy.

Guruh is a member of the House of Representatives for the PDI faction and a son of former president Sukarno.

Another PDI legislator, Subagjo Anam, took part in the Yogyakarta visit yesterday.

There was a brief moment of tension between Bambang and the troopers when a security officer asked the visitors from Jakarta to leave town for fear that their presence would create a stir.

Bambang responded: "Me and these colleagues are true nationalists. We are not rebelling against the nation and the government. So please respect my rights, and let me and my colleagues go where we please."

They agreed to the military's request not to address the crowd but proceeded with their plan to visit the widow of the late Sudirman and the cemetery where he is buried. They were accompanied by dozens of PDI supporters.

Bambang said the visit to the cemetery was to pay respects to the man who fought to the end and sacrificed his life to defend Indonesia's independence.

Sudirman led the armed struggle against the mighty Dutch military in the late 1940s. Although he was bedridden with tuberculosis, he still commanded the guerrilla war when the young republic leaders, including Sukarno, were captured by the Dutch in 1948. He never recovered from his illness and died in 1950.

"Pak (father) Sudirman was a model citizen that we should all emulate," Bambang said. "He was a democrat, wise and was truly dedicated to the people and the country."

Guruh said the visit to the cemetery was to reflect and remember the struggles of the late Sudirman. "His attitude is something that every Indonesian should emulate, particularly PDI members who are now facing a trying ?ime because of the intervention by a third party in the party's affairs."

Guruh reiterated his support for his sister Megawati whose leadership of the party has not been recognized by the government since a congress held by party rebels elected Suryadi as chairman.

"I support Megawati and will continue to fight for justice and truth. She has the support of the people of Indonesia who are craving for democracy," he said.

Indonesia: Developments Following PDI Medan Congress Reported

96SE0089A Jakarta KOMPAS in Indonesian 10 Jul 96

[Received via Internet]

[FBIS Translated Text] Jakarta (KOMPAS)—MENDAGRI [Minister of Home Affairs] Yogie S.M. said that although the government has not set a deadline for the PDI [Indonesian Democratic Party], it hopes that consolidation can be achieved quickly. The government hopes that PDI consolidation can be achieved before the 16 September deadline for submitting the names of legislative candidates.

This statement was announced Tuesday, 9 July, to reporters in Manado through H.S.A. Yusacc, chief of the Public Relations Bureau of DEPDAGRI [Department of Home Affairs]. The MENDAGRI said that DEPDAGRI is giving the broadest possible opportunity to the PDI to consolidate. In this context, the MENDAGRI said that he will not interfere and will put a limit on his statements to the mass media.

Yogie believes that too many statements will confuse the public. "Too much talking is not good. Therefore, it is best for me to think about putting a limit on statements to newspapers, because DEPDAGRI feels it should give opportunity to the PDI to consolidate," he said.

With regard to press reporting about the PDI, Yogie S.M. said that the government feels that press reporting in the country has still been appropriate and, for the sake of national unity and integrity, has been mature in classifying and releasing suitable reports.

Buttu R. Hutapea, secretary-general of the PDI DPP [Central Executive Council] created by the Medan Congress, said yesterday that the PDI DPP created by the Medan Congress, which was held from 20 to 22 June, will issue new implementation instructions in the next several days as an upgrading of the implementation instructions that have been in effect until now.

Besides reflecting the consequences of the four PDI positions, the new implementation instructions are also intended to improve the constitution and bylaws of the PDI. The four positions of the PDI are support for the New Order, the dual function of ABRI [Indonesian Armed Forces], President Suharto's leadership, and active participation in national development. In the new implementation instructions, the deadline for submitting lists of legislative candidates is extended. Under the old implementation instructions, the deadline for the submission of lists of legislative candidates was 10 July 1996, but under the new instructions, the deadline is extended to 5 August 1996 for first- and second-level DPRD's [regional legislatures] and to 15 August 1996 for the DPR [Parliament].

When asked who would be eligible for nomination as legislative candidates, remembering the dualism in the PDI, Buttu said that only those people who accept and support the Medan Congress and all of its decisions are entitled to be nominated. "Naturally, we cannot appoint people as candidates who do not accept and support the congress," Buttu added.

A strong and surprising reaction to the existence of the PDI DPP created by the Medan Congress came yesterday from PDI ranks in Bali. In a policy statement issued by the Special Regional Conference of the Bali PDI, it was declared that the Bali PDI will withdraw from general election committees at both district and provincial levels if authorities recognize the DPP created by the Medan Congress.

The same attitude will be reflected in the provisional candidate list compiled in the Special Regional Conference, held yesterday at the DPD [Regional Executive Council] Secretariat of the Bali PDI. The special conference was held after all the DPC's [branch executive councils] held special branch conferences with the main purpose of drafting provisional candidate lists.

The policy statement, which was presented to the press by Bali PDI DPD Chairman Ida Bagus Putu Wesnawa, also reiterated the Bali PDI's full support for the DPP leadership under General Chairwoman Megawati Sukarnoputri, which was created by the 1993 National Conference in Jakarta.

In reply to a question, Wesnawa said that the position taken by the Bali PDI should not be interpreted as a boycott of the general election. "This is not a boycott of the election. We are merely withdrawing from election activities. We are withdrawing from election candidate list committees," Wesnawa said.

When asked about MENDAGRI Yogie S. Memet's statement that he would recognize only the provisional candidate list coming from the DPP created by the

Medan Congress, Wesnawa said the Bali PDI will still submit its list to the DPP led by Megawati.

In the Sukawati Subdistrict at Gianyar, Bali, about 200 citizens of Guang Village yesterday offered prayers and expressed concern over the crisis now hitting the PDI. The prayers were led by religious community leader Dewa Nyoman Nubung at the Dalem Temple. The purpose of the prayers reportedly was to pray that national, ABRI, and PDI leaders would be granted clear thinking and be able to see and understand, and take positions on, the crisis now hitting the PDI organization. The communal prayers were coordinated by Megawati sympathizers in the PDI.

Steady Flow of Support

Support for Megawati Sukarnoputri continues to flow in. Former Foreign Minister (1953-1955) Prof. Soenario (94), who participated along with Bung Karno [former President Sukarno] in the founding of the Indonesian National Party (PNI) at Bandung in 1927, yesterday made a special visit to the office of the PDI DPP Secretariat at 58 Diponegoro Street in Central Jakarta.

Prof. Soenario, who arrived along with Marsoesi, one of the figures in the Group of 17, received a lively welcome from the hundreds of people and PDI sympathizers who filled the grounds of the PDI DPP Secretariat.

"The presence of this elder of ours, Pak Soenario, was to show moral support for Megawati in upholding democracy. If a person as old as he is apprehensive, how much more should we who are still young," Marsoesi said.

Support for Megawati also came from the Klaten DPC, the Student Senate of the Bandung Institute of Technology, and other areas.

Support for Megawati not only has been in the form of moral support but has also been expressed in money and in kind. As of this moment, about 50 million rupiah have been collected. Funds averaging 5 million rupiah per day have been received, from the lowest levels of society to the conglomerate level. Contributions in kind have been in the form of rice (now totaling 1.5 tons), instant noodles, sugar, coffee, candy, mineral water, herbal medicines, and cookies and other snacks.

F-PDI Deplores

Meanwhile, eight members of the PDI Faction (F-PDI), namely Sophan Sophiaan, Soetardjo, Soerjogoeritno, S.G.B. Tampubolon, I Gusti Ngurah Sara, Suko Waluyo, Royani Haminullah, Hasan Taher, and Tarto Sudiro, issued a strong official protest and deplored the incident of 6 July 1996, when security forces stopped PDI members who were singing the national anthem, "Indonesia Raya," at the DPC office in East Jakarta as they were about to begin a branch working meeting.

Besides protesting the halting of the East Jakarta DPC branch working meeting, they also protested their being stopped in the midst of singing the national anthem.

Tarmidi Suhardjo, chairman of the East Jakarta PDI DPC, said after reporting to Megawati that although the branch working meeting had been stopped by security forces, it ultimately proceeded until completion. The branch working meeting decided a list of legislative candidates for first- and second-level DPRD's and the DPR, which will be submitted to Megawati.

Tarmidi, with two of his colleagues, Pantas Nainggolan and Azis Buang, was summoned for a dialogue with Lieutenant Colonel Drs. Gorys Mere, chief of the East Jakarta Police Precinct. "The dialogue took place in a very friendly way and with mutual understanding of the problem," Tarmidi said.

Makyo Removed

It was reported from Solo that in its late night meeting on Monday, 8 July, the formation team for the DPC of the Surakarta Municipality PDI decided a new leadership. Last week the DPC of the Solo PDI had been declared invalid. The name of Makyo Soemaryo was removed and was replaced with Slamet Suryanto as DPC chairman.

The post of secretary was filled by Mulyo Wirasmo, replacing Sentot Suwarisman, and the treasurer is Muladi Tomosarkoro. The complete composition of the DPC leadership for the Solo PDI is to be decided soon.

The meeting for the formation of the DPC leadership for the Solo PDI was held at its office on Hasanuddin Street, Solo. Earlier, a meeting had created the 13-person formation team, which consisted of representatives of subdistrict coordinators, village coordinators, "caretakers," and advisers.

The results of the appointment of DPC leaders for the Solo PDI will be reported to Megawati for ratification. Slamet Suryanto said that we will also report these results to local authorities, such as the chief of region, DPRD, police, KOREM [Military Resort Command], and KODIM [Military District Command].

Sentot Suwarisman, PDI DPC secretary, who was ejected because he went to the Medan Congress, said he rejected the branch conference that produced the new leadership of the Solo PDI DPC. He noted that, according to the constitution and bylaws, branch conferences may be held only once every five years.

In Surabaya yesterday, about 1,500 pro-Megawati PDI members returned to the streets. Before going to the streets, the PDI crowd, most of whom were young people, began with Koran recitation at the DPC office of the Surabaya PDI on Adityawarman Street. After the Koran recitation, the PDI crowd proceeded with its march along Kutai, Diponegoro, Kedungdoro, Baluran, Praban, Tunjungan, and Pemuda Streets. The PDI crowd stopped precisely in front of the Grahadi State Building and held an "open rostrum."

After the open rostrum, the crowd, using motorcycles and four-wheeled vehicles, moved to the Surabaya DPRD Building. Before leaving the DPRD Building, Zulfi Azwan, a representative of the pro-Megawati crowd, was received by Achmad Bachtiar Balukh, member of the F-PDI. The PDI crowd asked the legislator to forward its aspirations to those in authority, namely the governor of East Java and the chief the Sociopolitical Affairs Directorate.

In Palu yesterday, H. Abdul Manaf Latjambo, chairman of the PDI DPD for Central Sulawesi, urged that the PDI be given opportunity to correct itself. Manaf, who attended the recent PDI Congress in Medan, asked outside parties not to interfere in the internal affairs of the PDI.

In that city, about 100 student activists and LSM [community self-help group] members in favor of Megawati's leadership conducted a "long march" around the city of Palu. They gathered and began their march near the Bumi Nyiur campus and then traveled via the Talise Palu beach road. They displayed several banners during their parade.

In Medan, about 20 students belonging to the Medan branch of the Indonesian National Students Movement (GMNI) yesterday failed to present their aspirations regarding the PDI crisis to the North Sumatera DPRD, because North Sumatera DPRD Speaker Mudyono, was in Jakarta. The students finally left the legislature building after leaving a letter containing a statement that among other things, deplored the government's actions in dealing with problems within the PDI, which actually produced new problems.

Philippines

Manila 'Reluctant' To Back U.S.-Proposed Procurement Code

BK1807041296 Manila BUSINESS WORLD in English 18 Jul 96

[Report by Paul N. Villegas — received via Internet]

[FBIS Transcribed Text] Christchurch, New Zealand — Although member economies of the Asia-Pacific Economic Cooperation (APEC) forum are formulating recommendations on how an effective government procurement code can be established in the region, the Philippines and some of its colleagues in the grouping are still reluctant to commit themselves to such a system.

Trade and Industry Secretary Rizalino Navarro said domestic laws inhibit the Philippines and other countries from participating in either an APEC-wide government procurement code or under a multilateral trading system.

"In a sense these (local) laws give preference to local firms (in many government projects). So how can you break your own law? That's one reason why our government is reluctant to join this government procurement code," Mr. Navarro told BUSINESS WORLD.

The United States wants APEC to address how it could come up with an effective government procurement code to influence the outcome of the negotiations that will take place under the umbrella of the World Trade Organization (WTO).

Too Ambitious

At present only four APEC economies are members of such a system while the others are cautious of committing themselves into it because they perceive it to be too ambitious.

"They can't just go from where they are now to join the code," remarked US Trade Representative Charlene Barshefsky at an earlier press briefing.

The government procurement code is one of the many new areas currently under negotiations in Geneva among officials and representatives of the WTO.

Washington broached the issue again early this week during the APEC trade ministers meeting here, and called for some interim agreement so that notions of transparency in government procurement will be supported by APEC members.

"The additional advantage to looking at transparency issues are that we all know that instances of bribery and corruption tend to be greatest in government procurement areas."

"The greater the transparency, the less opportunity there is for corruption, for bribery," Ms. Barshefsky said.

Serious Problem

"It is an indirect means of beginning to get at what is an extremely serious problem. Not only legally, but also economically, because the need for bribery and corruption implies you may not have been the most efficient (giver)," she added.

Mr. Navarro said he does not expect the Philippines and other countries to accede to a government procurement code under the WTO, even though some APEC members which belong to the trade body have begun making suggestions on how to establish such a system.

Government procurement is one of the 14 areas which APEC is looking at to realize its goal of creating a liberalized trade and investment environment in the region by 2010 for its wealthier members and 2020 for the developing ones.

About 13 of the APEC economies, said Mr. Navarro, have welcomed the proposal to further study the development of a government procurement code within the grouping.

"So in effect that becomes a WTO-plus initiative of APEC. The WTO can't seem to move this area, while majority of APEC said they will contribute to the liberalization of government procurement," Mr. Navarro said.

APEC, which represents 45% of world trade and 54% of world output, comprises Australia, Brunei, Canada, Chile, China, Hong Kong, Indonesia, Japan, Malaysia, Mexico, New Zealand, Papua New Guinea, the Philippines, Singapore, South Korea, Taiwan and the United States.

Philippines: PAL Expediting Modernization Program With New Aircraft

BK1807080896 Quezon City MALAYA in English 11 Jul 96 p 9

[Unattributed report]

[FBIS Transcribed Text] Philippine Airlines (PAL) is fast-tracking its fleet modernization program with the immediate acquisition of additional aircraft over and above the original 36 new airplanes under the $3.2 billion refleeting program.

PAL Chairman Lucio Tan has instructed the PAL management to improve the airline's services, particularly its on-time performance, by leasing additional aircraft while waiting for the arrival of orders from Boeing and Airbus Industrie.

Recently, two MD-11 aircraft joined the PAL fleet, acquired under a wet lease arrangement from World Airways. Two more of the tri-jet, 322-seater aircraft will arrive early part on the last quarter of the year.

The first MD-11 is now flying to Australia, Jakarta, Seoul and Taipei. The second flew yesterday to Seoul. It is lined up to operate to the Middle East by 30 October. Scheduled to arrive are two ultra-long range Airbus 340-300 wet-leased from Gulf Air that will be deployed to PAL's European network. The first A340 is scheduled for delivery 19 July and the second on 1 September.

PAL's fleet planners, under a directive from Tan, have likewise begun studying the feasibility of acquiring a freighter aircraft and more narrow-bodied airplanes such as B737-300s, B737-500s or A320-200s from other airlines or aircraft leasing companies.

In fact, the lease of two B737-300 currently in the fleet that were due to expire late this year and early next year, were successfully extended — one for up to 12 months, the other up to 22 months.

Should the additional narrow-bodied airplanes be acquired, PAL expects to fast-track the upgrading of its domestic operations to all-jet service, eventually phasing-out the Fokker 50 aircraft.

Last April, PAL took delivery of its fourth B747-400, the first of the 36 new aircraft under the original refleeting program.

Choice of aircraft type was dictated by communality in fuselage, cockpit and on-board avionics system design that would enable PAL to streamline its pilot and cabin crew training as well as operational and maintenance procedures.

The additional leased aircraft will join the 49 already in the fleet. When the other Boeing and Airbus aircraft shall have arrived by 1998, PAL will have the youngest fleet in the region, enabling the national flag carrier to expand its current international market and maintain its dominance in the domestic arena.

Philippines: Ramos Agrees To Assign Muslim to Cabinet Position

BK1807021696 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 17 Jul 96

[FBIS Translated Text] The government peace negotiators have revealed that the Ramos administration and the Moro National Liberation Front [MNLF] have agreed to allot one position to the Muslims in the Ramos cabinet. The Muslims will be granted representation in state-owned companies and constitutional commissions.

Appointing Muslims to government positions was one of the 123 concession points reached by the government and MNLF negotiating panels after three years of negotiations. Positions for Muslim appointments will be made in the Cabinet and in the following commissions: Commission on Audit, Commission on Elections, and

Civil Service Commission. Representatives in state-owned companies will be decided on by those operating in the Autonomous Region for Muslim Mindanao.

Philippines: MNLF, CPP Chiefs Trade Barbs Over Talks With Government

BK1807031496 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 17 Jul 96

[FBIS Translated Text] MNLF [Moro National Liberation Front] Chairman Nur Misuari has declared that Jose Maria Sison, Communist Party of the Philippines [CPP] chairman, has lost his senses on the latter's allegations that Misuari has sold himself out to the government. Misuari added that Sison needs psychiatric help in order to alleviate his sufferings.

Meanwhile, Communist Party Chairman Jose Maria Sison has revealed that he has no plans to return to the Philippines, thereby rejecting President Ramos's call for him to come home. Sison added that he will come home only if the situation in the Philippines improves.

Philippines: Muslim Rebel Chief Warns Abu Sayyaf Not To Provoke MNLF

BK1807105196 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 0930 GMT 18 Jul 96

[FBIS Translated Text] Is Nur Misuari, Moro National Liberation Front [MNLF] chairman, afraid to travel outside because of plotting and threats against his life? Arnold Clavio has an exclusive interview with Nur Misuari directly from Jolo, Sulu. Arnold, come in:

[Begin recording] [Clavio] MNLF Chairman Nur Misuari downplayed the Abu Sayyaf group's threat to assassinate him. Earlier, an Abu Sayyaf spokesman said there are many hard-core elements who want to see Misuari dead. They regard Misuari's entry into politics as treachery.

Misuari warned the Abu Sayyaf not to threaten him, however, since the MNLF is ready to fight whoever blocks the success of peace, including the Abu Sayyaf group.

[Misuari, in English] I don't think it is good for the Abu Sayyaf to provoke the MNLF. They should not [preceding three words in Tagalog] provoke. We don't want any trouble with them. We don't want any bloodshed in Mindanao. We took the cudgels to assume this responsibility over the ARMM [Autonomous Region in Muslim Mindanao]. It's because we want to move on the path of peace. [end recording]

Thailand

Thailand: Textile Exporters See Benefits in New U.S. Rule

BK1807062296 Bangkok THE NATION in English 18 Jul 96 p B1

[Report by Nitsara Sihanam]

[FBIS Transcribed Text] The United States' decision to impose new "country of origin" rules is likely to benefit Thai exporters, which expect to fill the vacuum left by Hong Kong and Macau.

New country of origin principles for textile and apparel products imported into the US went into effect on July 1. Under the new rules, cutting no longer determines the country of origin.

Previously, the country of origin for 90 per cent of apparel imports was established depending on where the clothes were cut. The new rules are based on processing or assembly operations.

The ruling means that textile products such as shirts and dresses will now be credited to the country where most of the work occurred, or where the fabric originated.

Importers who fail to comply with the new regime could have their shipments barred at US docks because their country of origin markings may not be valid for entry and release purposes.

Thai officials predicted that Hong Kong and Taiwan will be hardest hit by the new regulations. Most producers in the two nations export garment parts to third countries for final assembly. The new rules, announced on June 17, will make it difficult for exporting countries to avoid quota limits.

Nonetheless, exporters said the new rules of origin are likely to benefit Thailand.

A Commerce Ministry official said the U.S. has declared the new regulations on ready-made garments particularly to prevent transshipment of products from Hong Kong and Macau.

Under the new rules, five items from Hong Kong and Macau — nightwear, underwear, skirts, dresses and men's and boys' suits — must carry import documents certifying that they were really produced in the countries.

Other documents which must be produced include a textile declaration showing the origins of all materials, the production processes used in each country, the signatures of the manufacturers and subcontractors, and the importer's reference book to confirm the documents.

Moreover, the importers must submit single-entry bonds to the US customs to obtain market entrance.

U.S. customs officials will release the products under the condition that they do not enter the U.S. until the authorities can prove that they were made in Hong Kong or Macau.

The new regulations have made the future uncertain for importers due to the risk and long lead-time for improvements..

"Thai goods might replace those from Hong Kong and Macau because U.S. importers prefer to order products that are not subject to confusing import processes," the commerce official said.

According to a source, the use of processing or assembly operations to determine the country of origin is more objective than using cutting as the basis.

If textile or apparel products are processed, assembled or manufactured in more than one country the country of origin is specified as the place where the most important processes occurred. If that cannot be ascertained, it is taken as the last country in which an important operation occurred.

Thailand: Officials Study Ways To Increase Exports to EU

BK1807092596 Bangkok BANGKOK POST in English 18 Jul 96 p 17

[Unattributed report]

[FBIS Transcribed Text] Thai exports to the European Union expanded by 7 percent in the first quarter of 1996 when compared with the same period last year, prompting Commerce Ministry officials to study how results can be improved.

Analysts are currently studying major categories of exports to determine what obstacles are preventing them from performing better and how those obstacles can be overcome or removed.

A report prepared by the Commerce Ministry blamed slow exports to the EU on poor economic conditions in the EU since last year. All categories of food exports to the EU fell this year.

Investment flowing from EU countries fell in the first half as did the value of goods imported from Thailand. However, the report said investment and consumption by the EU should begin to improve in 1997.

Thai exports to the EU have also been hit hard by the rising value of the American dollar vis-a-vis the European currencies. Thai exports are quoted in dollars and therefore have become more expensive.

Medium-end Thai exports, which have dominated the EU market in recent years, have begun to face stiff competition from low-priced goods from Indonesia, China and India.

The report said the EU also had strict regulations for imports and had begun to build even stricter and more complex trade barriers to all types of imports.

In the near future, the EU's new Generalised System of Preferences (GSP) programme, set to go into effect next January 1, will mean decreased benefits for Thailand.

The report said Thai exporters would try to flood the EU with shipments before the new GSP programme came into force.

A Commerce Ministry source said if Thailand wanted to grab more market share in the EU it must improve the quality of its exports. To do so, it must buy more technological materials directly from the EU and co-invest with EU small and medium enterprises (SMES).

As well, he said the government must step up efforts to promote Thai exports at hightech trade fairs and exhibitions in the EU. Thailand should also host more of its own international trade fairs.

The source said the government must also keep a close watch on EU trade measures and other trade barriers so that issues involving Thai exports could be solved quickly.

Officials from the Department of Business Economics, the Finance Ministry, the Bank of Thailand and other state and private enterprises will meet today to review the performance of Thai exports in the first half of this year and to look for ways to improve export performance.

The ministry has predicted Thailand can reach a cumulative export target of 1.6 trillion baht this year if exports are promoted vigorously. The export value of Thai goods in the first half is projected at 726,778 million baht, an increase of 8.3% over earnings in the first six months of 1995.

Thailand: Article Views ASEAN's Stand on Burma

BK1807065896 Bangkok THE NATION in English 18 Jul 96 p A4

[Article by Yindi Loetcharoenchok: "Has Constructive Engagement Failed?"]

[FBIS Transcribed Text] On Saturday, July 20, the Association of Southeast Asian Nations (ASEAN) will officially welcome Burma by granting it observer status — the final step before the country becomes a full member of the regional grouping in the coming years.

But the integration of Burma into ASEAN, thus leading nearer to the fulfillment of ASEAN's founding fathers' dream of an association of 10 Southeast Asian nations, has not been an easy task.

The intensive effort, which began with an invitation for Burma to attend the meeting of ASEAN foreign ministers two years ago in Bangkok, has run into strong opposition not only from the Burmese prodemocracy movement in the country but also from the U.S. and European Union countries that happen to be key dialogue partners of ASEAN.

Although ASEAN has persistently defended and argued on its independent right to decide on Burma's entry into the grouping, its members have actually developed strong concerns over the political uncertainty in Burma and its impact on ASEAN's image and credibility in the eyes of the world community.

In fact, senior officials from several ASEAN countries have quietly accepted during separate interviews over the past weeks that the lack of peace and political stability in Burma could affect and destabilise Southeast Asia as a whole.

Even Indonesian Foreign Minister Ali Alatas acknowledged the existence of political problems in Burma. "We knew and acknowledged that there were some problems there in the country (Burma)," Alatas said in a press conference ahead of the annual ASEAN Ministerial Meeting, which will be staged this weekend.

For Thailand, the concern is particularly immense and apparent as based in the contents of a letter Prime Minister Banhan Sinlapa-acha sent recently to Burmese junta leader Gen. Than Shwe.

In the letter, Banhan expressed Thailand's concern over the potential violence that might result because of growing political tension after the ruling SLORC (State Law and Order Restoration Council) initiated a massive crackdown in May on members and supporters of the National League for Democracy (NLD) just before its party congress.

He also stated his worries that such violence could affect Thailand, which shares a long border with Burma, and subsequently affect Burma's image globally.

Banhan implicitly urged Burma's military rulers to restrain themselves from using force and to resolve any political conflicts, or confrontation, through peaceful means.

The Thai premier's message indicates that Thailand, if not ASEAN, does not buy the claim given by SLORC that the 262 NLD politicians arrested were only detained temporarily for questioning to prevent the situation from deteriorating.

Although ASEAN has rejected the Western approach of isolation and implementation of economic sanctions against SLORC and publicly advocated the policy of constructive engagement on the principle of noninterference in the domestic affairs of Burma, its members realise that they cannot stay idle and allow the uncertain political situation in Burma to continue.

They are also aware that while the grouping officially acknowledges SLORC as the powers-that-be in Rangoon, it cannot ignore the existence of a popular opposition movement led by pro-democracy and NLD leader Aung San Suu Kyi. Moreover, the NLD has officially earned its legitimacy as the overwhelming winner in the general elections organised by SLORC in May 1990.

Burmese political activists and ethnic groups, however, have strongly opposed ASEAN's controversial policy of constructive engagement, criticising it as a mere coverup for the efforts of individual ASEAN countries to exploit Burma's abundant natural resources at the expense of the Burmese people.

They said ASEAN has so far failed to prove that its policy is devised for engagement with all parties concerned and not only with SLORC. They added that ASEAN also has to indicate whether such a policy has improved the lives of the populace in general and not simply filled the personal coffers of SLORC's leaders.

In private, ASEAN officials have gotten used to the difficulties in handling and coping with the political unpredictability in Burma and in persuading SLORC to soften its tough stance against the NLD and Suu Kyi.

While they acknowledged SLORC's intransigence over any political compromise, they also criticised Suu Kyi for her provocative and confrontational approach and critical speeches not only against SLORC but ASEAN as well.

Suu Kyi, they said, had until recently conveyed her vocal and "polemic" criticism and messages for ASEAN through the media only. Thus, the noted, this made it impossible for the regional organisation to acknowledge her or to seriously consider her requests.

Last month, the 51-year-old Nobel Peace Prize laureate sent a letter to all ASEAN heads of government, requesting their help in the promotion of national reconciliation in Burma through dialogue between SLORC, the NLD, and other Burmese political groups.

Despite Suu Kyi's request, which underlined her first official contact with ASEAN countries, the officials said

ASEAN remains extremely cautious since any move on its part could eventually backfire and affect its relations with SLORC, which might misinterpret their efforts as tantamount to interference in the country's internal affairs.

ASEAN countries also do not want to set a precedent for fear of similar intervention in their domestic political affairs by other fellow members, they stressed.

Moreover, ASEAN will never take a direct approach towards Burma like the West. It would prefer pursuing "quiet persuasive diplomacy" behind the scenes.

According to senior Indonesian officials, even though Alatas had earlier shot down an ASEAN recommendation that he travel to Rangoon to urge both SLORC and Suu Kyi to go to the negotiating table, the Indonesian foreign minister had later conveyed ASEAN's concerns in a message to his Burmese counterpart U Ohn Gyaw during their bilateral meeting last month in Kuala Lumpur.

Alatas has also emphasised that ASEAN, prefers to "talk quietly" about sensitive issues "that are, in essence, internal matters for a certain country."

He also revealed that ASEAN has, in fact, already embarked on ways to convince the Burmese authorities at various levels to use peaceful means in pursuing national reconciliation, particularly through dialogue.

"And that's what we (ASEAN) have been trying to do (about Burma), talk quietly at the ministerial level and at lower levels. This is what we will continue to do if we can be helpful. If not, then, of course, we will see how things develop," said Alatas.

Although the eventual integration of Burma into the Southeast Asian club is inevitable, ASEAN will find it hard to welcome the country wholeheartedly unless the political and human rights condition in Burma improves.

Now that ASEAN has officially been approached for help by the Burmese opposition, it cannot continue to ignore the political reality in Burma. It has to inform SLORC that there are no free rides on ASEAN membership and that this status can only be obtained with a certain degree of peace and stability in the country.

On its part, ASEAN has yet to prove that its policy of constructive engagement is genuinely geared towards looking after the well-being of the Burmese people, and not for itself or the repressive military regime that has rigidly ruled the country for over three decades through the power of arms and threats.

Thailand: Further on Iranian Sentenced to Death for Bomb Plot

BK1807022696 Bangkok THE NATION in English 18 Jul 96 p A1, A3

[Unattributed report]

[FBIS Transcribed Text] An Iranian man accused of premeditated murder and conspiracy to explode a bomb in central Bangkok in March 1994 was convicted and sentenced to death yesterday by the Criminal Court of South Bangkok.

The court said it had been proved that Hossein Dasgiri [name as published], 30, was responsible for the murder of a Thai truck driver and had planned to detonate a bomb, which police at the time said was intended for the Israeli embassy.

Defence lawyer Somchai Nilaphaichit said the sentence was too severe and that an appeal would be filed within a month. He added that he thought the evidence produced by the defence was sound enough to establish Dasgiri's innocence but said that he had to accept the court's verdict.

After learning of the verdict and sentence from his lawyer in English, Dasgiri appeared upset. He was later accompanied out of the courtroom by Corrections Department officers.

Faced by scores of photographers and camera flashes outside the court, the convicted man shouted in what sounded like Arabic, and indicated by gestures he did not want to be photographed.

Dasgiri was arrested in the southern province of Songkhla in June 1994 after he entered Thailand from Malaysia.

Three months earlier, on March 17, a huge, home-made bomb was found in a rented truck abandoned near the Israeli embassy in Bangkok. When police opened a steel water tank on the back of the truck they found a bomb composed of C-4 plastic explosive, an electric detonator and about a tonne of ammonium nitrate fertiliser.

Also in the tank was the decomposing body of a Thai man originally hired to drive the vehicle.

Six days earlier the truck had been involved in a minor traffic accident with a motorcycle about 200 metres from the Israeli embassy. The driver, who was said to have been of Middle Eastern appearance fled the scene.

The truck was later towed to nearby Lumphini police station where it was left unattended. Police accidentally discovered the bomb when the owners came to claim their property.

Police said the "terrorist cocktail" was similar to the bomb that exploded in the World Trade Centre in New York the previous year.

At the time of his arrest in Songkhla, Dasgiri was said to be carrying four false passports. He claimed he was doing business in Malaysia.

He was accompanied by two other Iranians, both also held by police but later released due to lack of evidence against them. Police said another suspect is believed to have fled Thailand.

The prosecution said yesterday that 11 witnesses had proved that Dasgiri was the man behind the bungled bomb attack and the murder of the Thai driver. The prosecution witnesses included the truck owners and the driver of the motorcycle involved in the accident.

The case was brought to court in August 1994 and there were 21 hearings.

In addition to charges of premeditated murder and conspiracy to set off a bomb, the Iranian was also found guilty of armed robbery, illegal possession of firearms and explosives, being a mobster and hiding a corpse.

The court also ordered him to pay Bt[baht]5,500 he owed the owner of the rented truck.

Dasgiri was accompanied in court by his twin brother and two officials from the Iranian embassy, one of which denounced the verdict and the sentence and said an appeal will be lodged.

"This case is a result of pressure from outsiders, from foreign countries," said Jafarzzabeh Khaili [name as published], deputy chief of the Iranian mission.

He said it was not necessary to identify which foreign countries he was referring to.

Iranian officials have in the past said the case was a result of a "Zionist conspiracy" aimed at damaging relations between Thailand and Iran.

"We insist that (Dasgiri) is innocent. There is no concrete evidence against him," Khaili said.

An official from the Corrections Department said no foreigners had ever been executed in Thailand and that often in death penalty cases they were extradited.

Thailand: Finance Minister Cancels 'Cross-Shareholding' Proposal

BK1807081196 Bangkok THE NATION in English 18 Jul 96 p B12

[Report by Thanong Khanthong]

[FBIS Transcribed Text] Finance Minister Bodi Chunnanon has scrapped a landmark proposal for banks and finance companies to hold stocks in each other, raising doubts about the possibility of a strategic alliance between Finance One Plc [Public Company] and the Thai Thanu Bank.

Yet both Fin-One and Thai Thanu Bank have argued that their deal remains viable because what they are aiming to accomplish is to form a strategic partnership, which is entirely different from a cross-shareholding. "Our proposal is a strategic alliance, not a cross-shareholding as generally misunderstood. The Finance Ministry has not yet shut the door on us," said Pakon Thawisin, chairman of the Thai Thanu Bank.

Bodi's cautious stance on share crossholding was noted in his early days as finance minister when he quipped that a sizeable cross-shareholding might be unsuitable for Thai financial institutions. His stand on this important issue goes against that of his predecessor, Surakiat Sathianthai, who embraced cross- shareholding as advocated by Wichit Suphinit, the former Bank of Thailand governor, without reservations. Surakiat argued that cross-shareholding would pave the way for Thai financial institutions to become universal banks.

"The policy of the Finance Ministry is quite self-contradictory. They don't want financial institutions to exercise cross-shareholdings, but look at what they are doing with the Bangkok Bank of Commerce. They are asking all the other banks to support BBC by holding sizeable stakes in it. Isn't this cross-shareholding?" said an investment banker.

However, Fin-One and Thai Thanu Bank are not likely to experience any dramatic setback in the immediate future because the strategic alliance they attempt to form is aimed at creating more added value. Pin Chakkaphak, the chieftain of Fin-One, sees in Thai Thanu Bank a banking arm through which Fin-One may fulfil its ambition of becoming a full-fledged financial empire. Phonsanong Tuchinda, the president of Thai Thanu Bank, hopes to expand the bank's size and expertise in investment banking and other financial services through the Fin-One alliance.

In this deal, Fin-One has proposed buying a 20 percent stake into Thai Thanu Bank. It is not clear whether there is any secret provision for Thai Thanu Bank to subsequently buy into Thana One Finance and Securities Plc, in which Fin-One is holding a controlling 98 percent stake. But the deal raised questions from day one of its announcement in January this year because it violated the commercial banking law under which an individual or an entity is not allowed to hold more than 5 percent in a commercial bank.

Pin and Phonsanong were keen to seek a waiver for this archaic banking law and they received Wichit's support. Yet timing was not on their side. The Bank of Thailand was embarking on a banking liberalization spree by announcing that it would award new bank licences after the industry had been closed for several decades. All the newcomers had to apply for the bank licences by playing by the rules of the commercial banking law, which curbs the ownership limit to 5 percent per individual or entity.

The Fin-One/Thai Thanu strategic alliance led to an outcry that the banking authorities were pursuing discriminatory policies. When Wichit submitted the Fin-One/Thai Thanu proposal to Surakiat, M.R. Chatumonkhon Sonakun, the permanent finance secretary, objected strongly. Chatumonkhon suggested that Surakiat shelve the Fin-One/Thai Thanu deal, pending the central bank's comprehensive study of the cross-shareholding. He also accused Wichit of practising discrimination by favoring the Fin-One Group. Surakirt had to give in.

Cross-shareholding is yet another classic example of turf battle between the Finance Ministry and the central bank. It is clear from this case that the Finance Ministry is apprehensive about a recurrence of the 4 April Life-Boat scheme, if cross-shareholding is adopted. Substantial cross-shareholdings among financial institutions means that once an institution goes under it will have a domino effect on the others.

But the central bank believes that cross-shareholding, apart from paving the way for the creation of universal banks, will represent the first step to introducing greater transparency in bank ownership. It is generally known that family banks are owned or controlled by a handful of names, who have circumvented the 5 percent ownership limit. If this is already the case, why not make bank ownership more transparent, so that the investing public really knows who is managing its money?

The U.S. Congress is working on a legislation to repeal the Glass-Steagall Act, which creates a wall between banking and securities. This outdated law, introduced after the Great Depression in the 1930s, has punished U.S. banks; they have little chance of competing against their European or Japanese rivals, who are universal banks. Not a single U.S. bank makes the grade as one of the world's largest.

The other Thai banks, particularly small- and medium-size ones, are watching the official move on cross-shareholding with concern. It affects their future and ability to compete.

Thailand: Army Newsletter Criticizes Democrats on Budget Delay

BK1807041496 Bangkok THE NATION in English 18 Jul 96 pp A1, A3

[Unattributed report]

[FBIS Transcribed Text] In a commentary in its newsletter, the military yesterday hit back at Democrat MPs [Members of Parliament] who criticised leaders of the armed forces for their failure to defend their budgets.

The article entitled "Gentlemen" in yesterday's issue of KHAO THAHAN BOK (Army News) did not mention the Democrats by name but was obviously aimed at them.

Written by a "Lt. Col. Thatthiam Yiamnakhon", which was believed to be a pseudonym, the article also praised Defence Minister Chawalit Yongchaiyut for "protecting the military's dignity".

The Democrat members of the House committee deliberating the 1997 budget on Monday walked out of a committee meeting to protest against the absence of the armed forces commanders-in-chief. They later criticised the military brass and were faced with Chawalit's outrage.

The committee reportedly warned the military earlier that their budgets could be delayed if commanders-in-chief did not appear before the panel.

The writer, who said military officers were all "gentlemen", said the dispute "had ended". However, he wrote: "Everybody loves his institute and his dignity. We all have 10 fingers and I can say that everybody is as brave as each other."

The article also defended the armed forces commanders-in-chief. The writer said their schedules were so tight that they could not attend the meeting. He added that it was not because they did not want to be there.

He also said that though the committee was empowered to summon agency heads to defend their proposed budgets, it was also not against the law to have chiefs-of-staff working in place of the commanders-in-chief.

Democrat Party executive Phichet Phanwichatkun said at a press conference yesterday that Chawalit was attempting to boost his popularity by trying to portray that the Democrats were at odds with the armed forces.

A source said that an anonymous caller to Democrat deputy leader Bunchu Rotchanasathian's residence yesterday threatened to blow up his house. However, the MP rejected police chief Phot Bunyachinda's offer to step up security at his home.

Thailand: Article Views Military Budget Discussions

BK1807065596 Bangkok BANGKOK POST in English 18 Jul 96 p 4

[Article by Surasak Thamcharoen: "Government Faces Opposition's Wrath Over Defence Spending Schemes"]

[FBIS Transcribed Text] Deliberation on defence spending programmes in the second reading of the 1997 Budget Bill could become a heated defiant debate in the House of Representatives next month as several Democrat members are determined to take the Banhan Administration to task over the matter.

The heat was started earlier this week when none of the commanders-in-chief of the armed services showed up to testify before the House extraordinary committee scrutinising the defence spending plans. Defence Minister Gen. Chawalit Yongchaiyut had promised to bring along the Army commander-in-chief, the Navy commander-in-chief, the Air Force commander-in-chief, and the Supreme Commander to the budget committee this year. The New Aspiration Party [NAP] leader only found himself with the chiefs-of-staff of the armed services and Permanent Defence Secretary Gen. Phaibun Emphan in the committee room.

Six Democrat members of the budget committee, led by economic czar Bunchu Rotchanasathian, staged a walkout of the committee meeting in protest of the absence of the top commanders. The committee, at the time chaired by Deputy Finance Minister Soemsak Karun, however, proceeded with the defence spending plans, simply because there was enough forum.

Gen. Chawalit, himself a former army commander-in-chief, was quoted as desperately telling the budget committee that he had personally asked the top commanders to come and testify "but they would not listen since they all are retiring this year". But the Democrats contended that such an excuse was irrelevant and, if one wanted to be very sympathetic to the top military commanders, it would be understandable enough to say they are just keeping their "dignity" away from politicians' tongues. "We have every reason to demand that they come over even though they are retiring the next day," retorted one opposition member.

Only a few leading government figures, particularly Gen. Chawalit, casually blamed it on junior parliamentary officials in charge of handling documentation for failing to bring forth a letter dated last month from the Defence Ministry notifying that the top commanders would not be available for testimony before the budget panel this month. But the Democrats still were not contented with such explanations which they claimed they only learned of one day before the military budgets came up to the committee.

"They should have paid respect for the representatives of the people. Nobody is more privileged than others because they all use the taxpayers' money," commented another opposition member.

Gen. Chawalit appeared to be trying to put out the fire with gasoline when he explained that the commanders of the three armed services are so unified that they would only show up together before the budget committee but would never come separately. "They will only come together and never alone. For crying out loud, nobody fears nobody else."

It is no secret that the NAP boss is looking to expand his power base with the top commanders of all the three services when he makes a military reshuffle later this year, though.

Government figures, ranging from Prime Minister Banhan Sinlapa- acha to Chat Thai members of the budget committee, jumped on the bandwagon to speak on behalf of the top brass. Chiefs-of-staff are the ones who know best about defence spending programmes, they said. The prime minister confirmed that in his long experience as a member of previous budget panels the chiefs-of-staff could do it without their top commanders.

Gen. Phaibun, the defence secretary, undauntedly told the committee one day before the Democrat walkout: "The Defence Ministry is not like others, kindly try to understand this. Commanders-in- chief have not attended this kind of budget meeting since 1959."

That is the time-honored tradition at the armed services which Gen. Chawalit himself promised to end with the help of the Defence Council.

But a Democrat member doubted he could ever make it happen. "Deep inside, everybody knows it all comes down to the matter of dignity." In their long history of being antagonistic to the military, though purely on political grounds, the Democrats are ostensibly opposed to double standards applied in favour of the top military commanders. They likened commanders-in-chief to departmental directors-general who all show up before the budget panel. "We want the No. 1, not No.2, to come over listen to us and see things for themselves. Otherwise, next time just a departmental secretary would do," quipped a frustrated committee member.

The opposition members insisted that a commander-in-chief is the highest authority in an armed service who make decisions on top priority matters, including arms procurement programmes, while a chief-of-staff is only entitled to making preparations and provide assistance in such areas for their superiors. The terminal responsibility for defence spendings falls on the commander-in-chief, not the chief-of-staff, though the former does know much less about accounting and specifications of a weapon than the latter, they explained.

Mr Bunchu who suggested the golden rule be applied here since both sides are equally respectable warned the government-led majority of the budget committee that they prepare themselves very well for his unrelenting inquisition in the second reading on the spending plans for each of the armed services because they had passed the Army's 50,000 million baht, the Navy's 22,000 million baht and the Air Force's 22,000 million baht funds all in a row in less than four hours, without the Democrats in the committee room. Mr Bunchu remarked that the defense spending plans are not like all others because they are so short of details and those vaguely defined fundings do not involve any arms procurement plans but administrative affairs.

"Almost everyone in the House agreed in principle (to have the top commanders testify) but they were afraid and let go. They might probably get too much used to the tradition in which the top commanders keep themselves untouched by inquisitive politicians."

Defence spendings could be more clearly defined and exposed to the budget committee but the military invariably keep almost everything a secret. Democrat leader Chuan Likphai suggested that it would take time for gradual change in the tradition of "keeping a not so secret military plan a secret". "Some day, the taxpayers might ask what you are spending their money on, and you should be able to tell them. In the end, the military will have to tell us everything, except those that involve arms procurements."

Inside the parliament, the defence minister and the government- led majority of the budget committee would be faced with an even tougher time speaking once more in defence of the absent top brass. Outside, it remains to be seen if the top military would ever swallow their pride and surrender to the information age.

Vietnam

SRV: Report Details Nation's Import, Export Development

BK1807083396 Hanoi VNA in English
0709 GMT 18 Jul 96

[FBIS Transcribed Text] Hanoi VNA July 18 — 1996 will be marked as the year Vietnam successfully controls the import-export market and stabilizes market prices, thereby avoiding raw material and commodity 'fever' as has frequently occurred since Vietnam adopted a market mechanism exactly a decade ago.

In addition to its efforts to take the initiative in import-export operations, the Ministry of Trade has been simplifying administrative procedures in this regard. It has applied a single-level regime of granting trade licences, abolishing all intermediary levels. It has also removed all procedures on the licensing of merchant trading applied to almost all exported items, thus helping reduce circulation costs for traders and ensuring smooth circulation of goods throughout the country. At present, the ministry is taking measures to improve the current mechanisms concerning the import of sub-contracted commodities as well as other goods.

Since 1991, Vietnam has spared no efforts to speed up reforms in trade operations, unlike the previous years when the state had a monopoly over import-export, both state-owned and non-state economic sectors are now provided with direct access to import-export operations under the uniform administration of the government.

The change of export structures with a view to reducing the export of raw materials and semi-processed products and increase the volume of processed products has helped raise the export turnover and the competitive strength of commodities produced in Vietnam on the world market.

In the first half of 1996, Vietnam exported more than USD three billion worth of products, an increase of 16.5 percent over the corresponding period last year. Its main exported products were crude oil (four million tons), rice (1.2 million tons), textiles and garments (USD 350 million), and rubber, coffee, cashew and sea produce. The export volume of processed aquatic produce was much higher than previous years. Foreign-invested businesses have also increased their share of export turnover to USD 230 million over the last six months. It is estimated that their export share will rise to USD 600 million this year, representing a 50-percent increase over 1995.

The import structure was also re-adjusted through the import of goods worth about USD 5 billion in the first six months. Five import items essential to the national economic development were petroleum, cement, steel, fertilizer and sugar. Consumer goods made up only 11.4 percent of the total import turnover in the first half of 1996 while the share of automobile and motorcycle imports declined sharply. The volume of foreign-invested businesses accounted for 20 percent of the total import volume.

Vietnam now has trade relations with more than 100 countries and territories. Vietnam's trade with the Asia-Pacific region has sharply increased, accounting for 70-80 percent of its annual export turnover.

In the first five months of 1996, Vietnam exported USD 815 million worth of products to Singapore, while imports stood at USD 907 million. Two-way trade between Vietnam and Japan and between Vietnam and the US reached USD 878 million and USD 154.5 million respectively in the same period.

Meanwhile, it has gradually restored trade relations with its traditional markets in eastern Europe. Bilateral trade between Vietnam and Russia was USD 468 million over the past five months.

In the 1996-2000 period, Vietnam's foreign trade service plans to increase its exports by 28-32 percent in order to attain an average annual export turnover of USD 220-250 per capita.

SRV: General Secretary Do Muoi Interviewed on Socialism

962E0056A Hanoi THOI BAO KINH TE VIET NAM in Vietnamese 18 May 96 p 1

[Interview with Do Muoi, general secretary, CPV, by THOI BAO KINH TE VIET NAM Editor-in-chief Dao Nguyen Cat; place and date not given: "Socialism in Vietnam — 'Rich People, Strong Country, Just and Civilized Society'"]

[FBIS Translated Text] *On the occasion of the forthcoming Eighth Party Congress, CPV General Secretary Do Muoi has found time to grant an interview to Prof. Dao Nguyen Cat, our editor-in-chief. We now bring you the whole text of this interview.*

[Cat] Dear comrade, with the international scene having undergone many great disturbances as background, why do our party and people still persist in pursuing the socialist goal?

[Muoi] In recent years, the world situation encountered complicated events. However, although the collapse of the socialist system in the Soviet Union and Eastern European countries has rendered socialism temporarily regressive, the common trend of the peoples in the world remains to ceaselessly struggle by resorting to various forms, methods, and ways for moving toward a social system being more civilized and finer that that of today. That is the socialist system. This truly is the law of objective evolution of mankind's society.

Ever since its establishment, our party has always persisted in pursuing the goal of national independence and socialism. The victory in the struggle for independence and the achievements in the 10 years of renovation have asserted that such a persistence was totally correct. Today, we have created a new posture and strength for accelerating the industrialization and modernization of our country. This is a very important stage for us to move toward the goal that we have been pursuing.

The whole history of development of Vietnam's revolution proves that socialism is the only correct choice that is agreeable to the law and suitable for the people's wishes. We must persist in keeping this choice.

[Cat] The draft political report to be presented to the Eighth Party Congress has this to say: "The road to socialism in our country is being determined more and more clearly." Can you clarify this statement?

[Muoi] To make the transition from a country having backward industries to socialism by bypassing the capitalist system is an extremely difficult and complicated undertaking because there is no precedent in history.

We have gradually been adjusting and supplementing our concept on the basis of the realities of socialist building in our country and the lessons, both successful and still unsuccessful, that we have learned and have been determining more and more clearly the road that will lead the country to socialism. The Sixth Party Congress outlined the full renovation of all aspects of social life. The Seventh Party Congress set forth the Program for socialist building in the period of transition to socialism and the Strategy for socioeconomic stabilization and development by the year 2000. The documents that are being prepared for presentation to the Eighth Party Congress are based on a review of the 10 years of renovation and determine the goal and task of industrializing and modernizing the country by the year 2020 and in the remaining years of the 1990's, as well as many major policies and solutions needed to successfully achieve these goal and task. A party congress inherits and further develops the correct concepts, views, and policies of the preceding congress; adjusts what has not yet been correct or what is no longer suitable; and thus makes our perception of socialism clearer and clearer, our vision broader and farther, our line and position fuller, and our policies and solutions more synchronized, with scientific basis, and more realistic. This is the very reason why the draft political report to be presented to the Eighth Party Congress has included this statement, "The road to socialism in our country is being determined more and more clearly."

[Cat] Comrade, can you tell us more about the concept of our party on socialism?

[Muoi] The party's program has determined six characteristics of the socialist society that we are building. This society is one in which the working people are owners; has a highly developed economy based on a modern productive force and a system of public ownership of the principal means of production; has an advanced culture full of national colors; is one where people are liberated from oppression, exploitation, and injustice, work in accordance with their capabilities and enjoy life in accordance with their labor, lead a life of plenty, freedom, and happiness, and have the conditions for total personal development; is one where the nationalities are equal and united and help one another to progress; and has friendly and cooperative relations with the people in all countries in the world.

The strategy for socioeconomic stabilization and development by the year 2000 has materialized the program and turned it into the following view on development: "To develop the economy and society along the line of consolidating national independence and building socialism in our country is the process of achieving the goal of people being rich, the country being strong and moving toward modernization, and the society being where the people are owners; where there are altruism, culture, and law; and where oppression and injustice are annihilated, and conditions are created for all people to lead a life of plenty, freedom, and happiness."

Through the realities of our developing and implementing the Program and Strategy, we have gradually devised a short and brief but basically correct interpretation of our concept of socialism. It is to achieve "rich people, strong country, just and civilized society." Under the leadership of our party, this positive goal has become a slogan for action and is getting an enthusiastic response from all the people who are striving step by step to turn it into reality.

Australia

Australia Concerned Over PNG Use of Iroquois Helicopters

BK1807082596 Sydney THE SYDNEY MORNING HERALD in English 18 Jul 96

[Report by Greg Roberts — received via Internet]

[FBIS Transcribed Text] The Federal Government has expressed "serious concern" to Papua New Guinea [PNG] over its use of Australian-supplied Iroquois helicopters on Bougainville in breach of an agreement between the two countries, according to PNG Government sources.

The Minister for Foreign Affairs, Mr Downer, has also bought into the increasingly bitter border dispute between PNG and the Solomon Islands, urging the neighbouring countries to settle their differences.

Australia's High Commissioner in Port Moresby, Mr David Irvine, met late last week with senior PNG Government officials, including the secretary of the Ministry of Foreign Affairs, Mr Gabriel Dusava.

According to sources close to the PNG Prime Minister, Sir Julius Chan, Mr Irvine expressed concern at apparent breaches of the agreement, under which the helicopters on Bougainville can be used only for transport and evacuations.

Sir Julius has admitted the conditions have been breached. The Iroquois have been used in several attacks in the current offensive against the Bougainville Revolutionary Army, BRA, and allegedly in hunting down and killing a civilian who stole a boat.

Most recently, Honiara has accused the PNG Defence Force of using the helicopters in two of 15 alleged incursions into Solomon Islands territory since the offensive was launched four weeks ago.

A spokesman for Mr Downer declined to comment on the controversy, but said the row between PNG and Solomon Islands, which culminated in the two countries accusing each other of acts of war this week, was disturbing.

"We urge both Governments to exercise restraint and act in accordance with international law," the spokesman said.

Australia has told Port Moresby and Honiara of its view that they should establish a joint border commission to oversee and manage their common border.

Mr Downer's spokesman said the Government believed Sir Julius should meet the Solomon Islands Prime Minister, Mr Solomon Mamaloni, as soon as possible to resolve the dispute.

Tentative steps toward a border agreement were made at a recent meeting between representatives of the two Governments in Cairns, but the latest clashes appear to have dashed whatever goodwill was generated.

Australia: Navy Takes Delivery of First New Collins-Class Submarine

LD1507102496 Melbourne Radio Australia in English 0800 GMT 15 Jul 96

[FBIS Transcribed Text] The Royal Australian Navy has taken delivery of the first of its new Collins class submarines. An assistant chief of Naval Staff [for materiel], Rear-Admiral Peter Purcell, has signed the official delivery certificate in the control room of the Collins, moored in Adelaide.

The Australian-built submarine is the first of six on order for the navy and was finished 18 months behind schedule.

Australia: $10.3 Billion Deficit Affects Budget Balancing

BK1707085796 Sydney THE AUSTRALIAN FINANCIAL REVIEW in English 17 Jul 96

[Article by Stephen Ellis: "$10 Billion Blowout Delays Canberra's Balancing Act"]

[FBIS Transcribed Text] The Federal Government has been forced to extend its timetable for balancing the budget from two to three years, as a fall in the level of tax collections has added $1.3 billion [Australian dollars] to the 1995-96 deficit.

The treasurer, Mr. Peter Costello, also signalled yesterday that the government would be looking closely at plugging loopholes and anomalies in the tax system as a way of raising extra revenue in the August budget without breaking its "no new taxes" election promise.

Preliminary figures released by Treasury and the Department of Finance show that Canberra ran an underlying budget deficit of $10.3 billion last financial year. This compares with an estimate of a $6.8 billion deficit in the 1995-96 Budget in May 1995, revised up to $9 billion two months ago after a post-election budget review. The underlying deficit excludes asset sales, state debt repayments and other one-offs.

Mr. Costello reaffirmed the government's commitment to making budget cuts worth $8 billion over two years, but admitted that these might not be enough to balance the budget until 1998-99.

"That may not get us to the magical balance, but it will put us $8 billion along the road to savings we wouldn't have achieved if we didn't set out for that target," the treasurer said.

Mr. Costello indicated that rorts and anomalies across all parts of the tax system would be scrutinised in the budget process, although general tax levels would not rise.

"We have to keep a vigilant eye all the time," he said, hinting that there may be more action on the revenue side of the budget than has been expected. "The tax base is like a fishing net. You've got to be out there mending the holes all the time and we'll be mending obvious holes in relation to income tax, sales tax and other areas."

His comments came as the governor of the Reserve Bank, Mr. Bernie Fraser, renewed and strengthened his call for the government to consider tax rises as well as spending cuts to mend the underlying Budget gap. Mr. Fraser, speaking in Perth, made pointed reference to the folly of cutting programs that were "essential to the quality of life", such as health, if cuts in less crucial programs failed to put the Budget into balance.

Shortfalls of $1.6 billion in personal income tax and $1.4 billion in sales tax and excise collections drove the deterioration in the 1995-96 Budget.

Only a $1.2 billion windfall from higher company tax payments — reflecting bumper profits earned in 1994-95 — prevented an even larger gap from opening.

Overall revenues were $2.7 billion lower than originally budgeted.

On the spending side, the budget ended up almost $1 billion worse off than expected in underlying terms, with higher-than-expected unemployment benefits accounting for the largest part of the blowout.

Mr. Costello used the slippage in the fiscal position to renew pressure on the Labor Party and Senate minor parties to give the government's budget a smooth passage through the Upper House, where the coalition lacks a majority.

"To the degree Labor engages in obstructionism, and to the degree that the Australian Democrats join them, that is the degree these problems run on," he said. "And if they run on - if our savings continues to be the problem that it is - we will not be able to sustain the growth we need in Australia to get jobs."

This echoes comments Mr. Costello made two weeks ago, pressuring the Senate after the release of another large monthly current account deficit.

The latest blowout in the budget position was not unexpected.

The leader of the opposition, Mr. Kim Beazley, said the government should dump some of its election promises and reduce tax avoidance.

Australia: ABC Employees End Strike; Radio, TV Programs Resume

LD1807091596 Melbourne Radio Australia in English 0800 GMT 18 Jul 96

[FBIS Transcribed Text] A strike by employees of the Australian Broadcasting Corporation [ABC] has ended and normal programs are being resumed. The 24-hour stoppage was held in protest at the Australian government's sudden announcement of a 65 million dollar funding cut over the next two financial years. The unions involved in the protest action say the strike was the start of a broad-based campaign to make Australia aware of the likelihood of a substantial cut in many ABC services. The ABC is Australia's only fully national broadcaster in radio and television and is responsible for Australia Television, which broadcasts to Asia, as well as Radio Australia.

Micronesia

Micronesia: President Suffers Stroke 16 Jul

LD1707110296 Wellington Radio New Zealand International in English 0700 GMT 17 Jul 96

[FBIS Transcribed Text] Bailey Olter, president of the Federated States of Micronesia [FSM], has suffered a stroke. He entered the Pohnpei state hospital early yesterday morning [16 July] where doctors have been working to stabilize his condition. Asterio Pastish, FSM secretary for external affairs [name and title as heard], says Mr. Olter is being fed intravenously and on oxygen but is speaking. The secretary says the doctors have put him under surveillance and do not want him disturbed. The FSM secretary says a decision will be made on whether to fly President Olter to Honolulu for treatment.

Micronesia: President Arrives in Hawaii for Medical Treatment

LD1807095796 Melbourne Radio Australia in English 0700 GMT 18 Jul 96

[FBIS Transcribed Excerpt] The president of the Federated States of Micronesia, Bailey Olter, has arrived in Hawaii for medical treatment after suffering a stroke at his home at Pohnpei on Monday [15 July]. [passage omitted]

Papua New Guinea

Papua New Guinea: PRC Foreign Minister Arrives for Two-Day Visit

LD1607100896 Melbourne Radio Australia in English 0900 GMT 16 Jul 96

[FBIS Transcribed Text] China's foreign minister, Qian Qichen, has arrived in Papua New Guinea on a two-day official visit. He has held talks with the foreign minister, Kilroy Genia, and the prime minister, Sir Julius Chan.

They then signed agreements on bilateral trade and technical cooperation. Mr. Chan will tour the Western Highlands province tomorrow to look at tea plantations and call on the governor, Paias Wingti, before leaving for Fiji.

Papua New Guinea: 'War' Accusations Exchanged With Solomon Islands

BK1707064796 Sydney THE SYDNEY MORNING HERALD in English 17 Jul 96

[Article by Greg Roberts: "Acts of War: Arms Buildup Warning" — received via Internet]

[FBIS Transcribed Text] Amid indications that the Papua New Guinean [PNG] military offensive against the Bougainville Revolutionary Army [BRA] is floundering, relations between PNG and the Solomon Islands are at a new low point, with the Melanesian neighbours accusing each other of acts of war.

Well-informed sources said the four-week offensive by about 1,800 troops had become bogged down at several points on Bougainville, most notably near Aropa, in the island's south, where an assault by more than 250 troops had been repelled.

In a statement yesterday, the commander of the PNG Defence Force, Brigadier General Jerry Singirok, said the Solomon Islands Field Force (SIFF) had "declared war on us as we are their adversary".

He was responding to a letter by the SIFF chief, Mr. Michael Wheatley, accusing PNG forces of "straight-out acts of war against a neighbour".

Mr. Wheatley detailed 14 alleged incursions by PNG forces into Solomon Islands territory since the offensive began.

In one incident, PNG troops aboard an Australian-supplied Iroquois helicopter allegedly strafed the shoreline, firing a machine-gun and launching grenades at an SIFF officer.

Other incidents involved motorised canoes and Australian-supplied patrol boats. Troops aboard the patrol boats had reportedly fired on SIFF observation posts three times with machine-guns and cannon.

Mr. Wheatley said the incursions had gone far beyond PNG's claim that the border would be crossed only in "hot pursuit" of BRA rebels.

"The deteriorating relationship between our two countries and in particular between our security forces along our common border is cause for grave concern," he said. Continuing incursions would prompt an arms build-up in the region, he warned.

In reply, Gen. Singirok said it was "common knowledge" that Honiara had supported the BRA and would continue to do so. While he conceded "regrettable infringements" of the border by his troops, Gen. Singirok said the Solomon Islands had "a lot to answer" for over the refuge it had given BRA leaders, and arms being channelled through its territory to rebels.

Meanwhile, PNG military sources said that at least three troops had been killed and an unknown number wounded in the latest fighting around the abandoned Aropa airport.

Troops landed on a beach near the airport last week with the intention of pushing into BRA strongholds in the hinterland but after unexpectedly fierce resistance they had been forced to withdraw to a makeshift camp on the coast.

PNG Defence Force actions near the central Bougainville village of Orami and elsewhere on the island have similarly made little headway.

In a statement from his command post, the BRA commander, Mr. Sam Kuaona, said his men remained in control of rebel-held areas despite the PNGDF being "armed to the teeth from Australia".

Solomon Islands

Solomon Islands: Patrol Vessel Fires at PNG Boat

LD1607102996 Melbourne Radio Australia in English 0900 GMT 16 Jul 96

[FBIS Transcribed Text] Solomon Islands says one of its patrol boats has forced a Papua New Guinea [PNG] defense vessel to turn back in Solomon Islands waters by firing warning shots. The commander of the Solomon Islands border surveillance force says a Solomon Islands' patrol boat fired the shots at a distance of one nautical mile against the fast approaching Papua New Guinea motorized boat. Commander Michael Wheatley says it is the 13th incursion by the PNG Defense Force in three weeks. He says the PNG Defense Force is directly attacking Solomon Islands police posts in these incursions, rather than pursuing Bougainville secessionist fighters across the border. However, he is hoping he will not have to increase the security force at the border.

[Begin Wheatley recording] There is only so much, I suppose, that we can keep taking. However, I have said that we do have limits. I'm just hoping that common sense will prevail. That we don't have to do anything like that. But there is one thing, and that is, our sovereignty is not negotiable when it comes to things like this. [end recording]

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